



CENTRE  
for SOCIAL  
IMPACT

# Social Impact Report

*August 2017*





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# Alastair Bell

Chair - Centre for Social Impact



**Foundation North established the Centre for Social Impact in 2014 as a social business to help grant makers and funders invest in inspiring and sustainable social change. Three years on, the Centre is delivering on that mission. It is now established as a valuable resource to the philanthropic sector serving a range of clients across New Zealand, including community trusts, family, corporate and community foundations, and community organisations.**

The Centre's launch coincided with a growing interest from funders to invest in their communities and move the dial on some of New Zealand's more challenging social issues. Much of the Centre's work over the last year has been with funders as they move to a more strategic approach to their grant-making. As the three case studies in this report show, this involves engaging a range of stakeholders, drawing on data and local and international evidence to identify opportunities, and building funding and implementation frameworks for more strategic community investment. The Centre has worked alongside a variety of clients as they have managed this change and started to invest for better social outcomes.

The Centre's other focus is to provide support to community partners who are innovators and leaders of social change initiatives. In this area, the Centre supports a range of community organisations, including Foundation North's Catalysts for Change grantees.

The continued support of Foundation North, as both shareholder and client, has been central to the Centre's initial success. Foundation North continues to offer the Centre opportunities to engage in pioneering work, such as the development of a new 'seed, scale, system' approach for grant-making to support innovation. This approach is being used for grants from the Foundation's new \$5million Gulf Innovation Fund Together (G.I.F.T.) created to support innovation to turn the tide on the environmental degradation of the Hauraki Gulf.

We were fortunate this year to be able to formally appoint Dr Alison Taylor as Chief Executive of the Centre. Alison had been Head of the Centre and the change recognised that the Centre had become an established entity in its own right, and a successful social business. Its influence and client base is evidence that the Centre is now well beyond start-up phase. The Centre also appreciates access to Jennifer Gill's comprehensive knowledge of philanthropy, and her extensive network across the philanthropic sector in New Zealand and internationally.

My thanks to my fellow board members, and to Alison and her team of staff and associates, and to all our partners in the Centre's impact network. In three years, we have seen the Centre move from a start-up with one client, to a successful social business with clients throughout New Zealand. It's a privilege to be part of this journey with you.

# Alison Taylor

Chief Executive - Centre for Social Impact



**The achievement of social impact in grant-making is on its way to becoming 'business as usual' in the philanthropic sector. Over the last year the Centre has responded to requests from a range of grant-makers and funders to work with them to support social innovation for long-term change.**

Community trusts have been major funders of community and not-for-profit organisations, and are increasingly interested in investing for social impact. For community trusts, the challenge is to continue to support the valuable work of wide range of sports clubs, and youth, cultural and environmental groups which provide the glue which holds communities together, while also looking to address some of the long-term challenges faced by their communities. The Centre has worked with community trust clients on developing a portfolio approach to grant-making. This allows for them to continue to provide low-risk short-term grants while also dedicating some of their grants towards social innovation.

The management of change to strategy and established practice is hard in any organisation. For philanthropic funders, which typically have diverse stakeholders, it can be particularly challenging. Our three case studies this year consider how the Chair and Chief Executive contribute to the leadership of change. I would like to thank Geoff Milner and Jonathan Bell of Eastern and Central Community Trust, Hayden Wano and Maria Ramsay of TSB Community Trust, and Antony Welton and Lani Evans of the Vodafone New Zealand Foundation for agreeing to share their experience and insights.

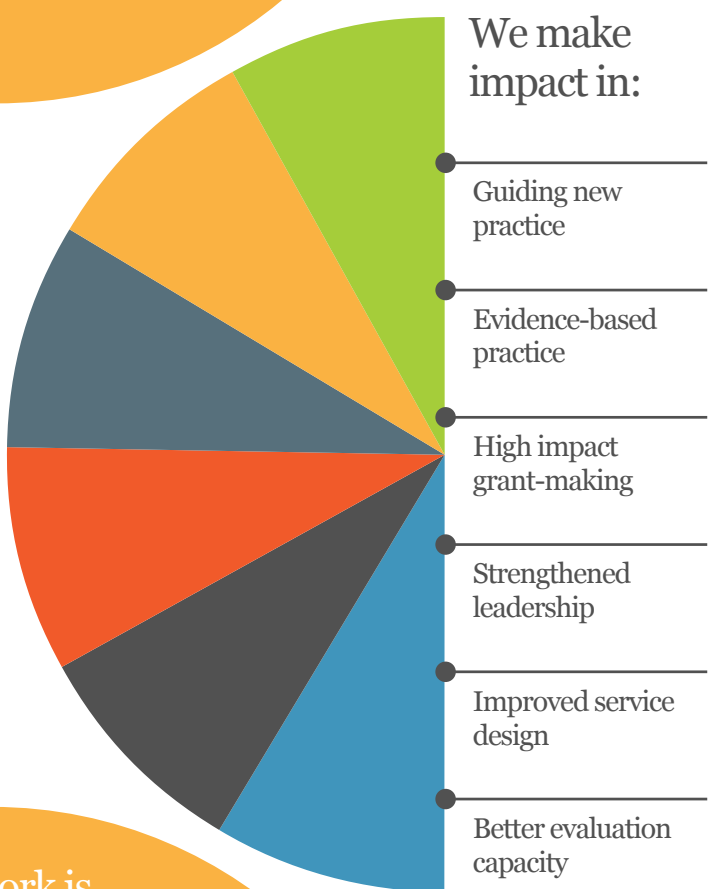
Key insights include the importance of shared values and a common commitment to the direction of change. Where a Chair and Chief Executive are aligned on these, the process of leadership of change across the Board, the staff, and wider community stakeholders is made much easier. Sustainable change is created when stakeholders are engaged in the creation of a compelling vision of community impact and see that vision supported by an evidence-informed strategy. This shared vision and strategy needs to be strong enough to guide grant-making policy as board members and staff come and go over the years that it may take for community investment to deliver results.

When grant-makers and funders move from simple transactional grant-making and into strategic and venture philanthropy, organisational capabilities also need to change. Any journey of social impact will mean challenges ranging from the management of relationships with community partners, to evaluation, to communication about what is being learnt. What we see in our clients is a preparedness to take risks and learn as they go. New approaches to community investment usually focus on areas where there are no easy answers. While there may be risks investing in innovation with community partners in search of new solutions to entrenched problems, our funders see that the opportunities that innovation can create are of greater value, and impact.

Learning is very important to us at the Centre. This report begins with an overview of an assessment of our own impact. This deeper dive into our work with our clients, and their assessment of what we offer, provides valuable guidance to us as we look to evolve our practice.

It is a privilege for the Centre to be able to support our clients and their community partners on their social impact journeys. We look forward to continuing our partnerships with you over the years ahead as learning occurs and successes are harvested for the communities we all serve.

2014 → Since inception, we've worked with over **43** client organisations on over **50** projects, supporting communities throughout New Zealand and Australia. → 2017



**Our work is valued for:**

Expertise and knowledge	Responsive delivery
Breadth of service offering	Shared values
Respect and collaborative practice	Working with different cultures

# Introduction

**The Centre for Social Impact helps grant makers and funders invest for impact, and enables their community partners to turn that investment into inspiring and sustainable change.**

In this report, we reflect on the value the Centre offers to its philanthropic and community sector partners, the impact it is delivering, and future directions in a changing national and international landscape of philanthropic focus and practice.

## The philanthropic landscape

In recent years, leaders in the philanthropic sector are moving from a focus only on low-risk short-term grants, to a portfolio approach that is geared towards investing in communities in a way that delivers better social outcomes. This is creating growing momentum towards multi-year and targeted grants, complementing the established grant-making approaches. This new form of philanthropic investment targets innovative and systemic practice to address major social and environmental issues.

As indicated in the diagram below, this shift demands a new skillset from philanthropic organisations, from working in relatively simple and short-term grant-making transactions, to operating in a space that navigates more complex social issues, and forges long-term relationships with community grantees.



# How we work

The Centre works with philanthropic funders and grantees to strengthen their capacity and strategic direction, which in turn supports these organisations to achieve positive outcomes for their communities.

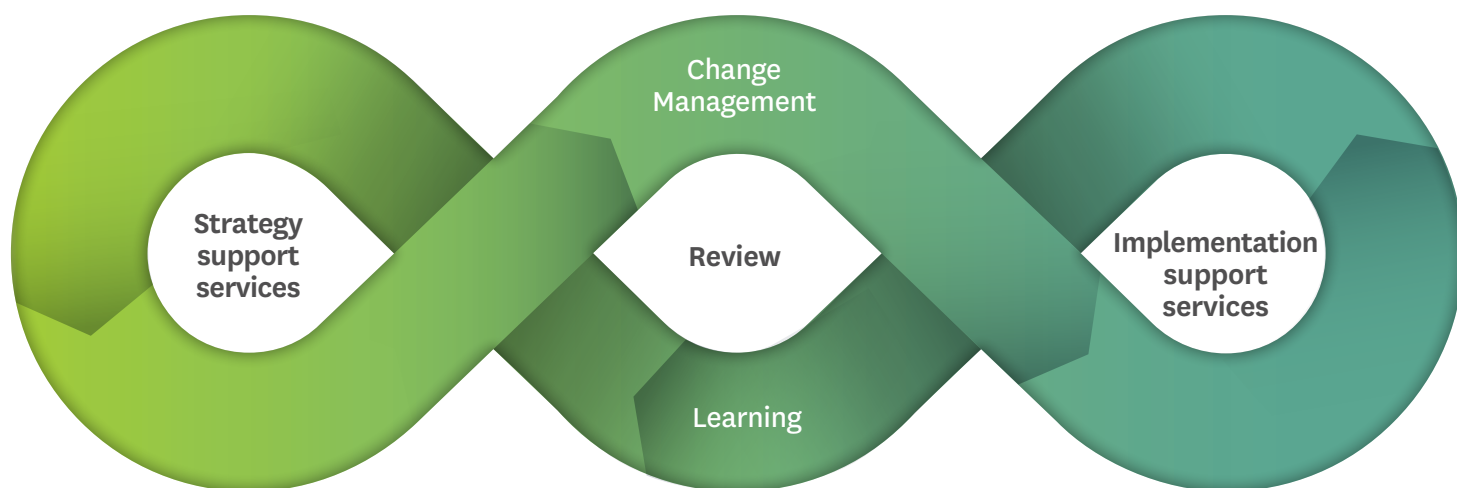
This relationship, of the Centre as an intermediary between funders and grantees, and the flow-on benefits to communities, is captured in the diagram below.



## What the Centre offers

The Centre supports clients and community partners on a social impact journey. This journey, for grant-makers and funders, and their community partners, is a continual process of monitoring, evaluation, and reflection as learning occurs. This informs adaptation and innovation to support social impact.

## The social impact journey - Our Services



Strategy design  
Evidence reviews  
Funding framework design  
Strategic collaboration  
(local, regional, national)

Monitoring and evaluation  
frameworks  
Mid-strategy reviews  
Programme evaluation  
Learning clusters and events  
CEO peer support  
Trustee development

Policy and process design  
Pre-investment process support  
and advice  
Grantee capacity building  
Staff and team development

**The Centre works with boards, CEOs and their teams to support shifts in their funding approaches for greater social impact.**

**This includes:**

- Working with them to identify what they want to achieve.
- Inform thinking with tailored data analysis, and international evidence and practice.
- Assist with community engagement.
- Support developing and implementing grant-making strategies and frameworks.

**Our work with community organisations focuses on increasing their capacity to be flexible, responsive and sustainable.**

**This can include:**

- Strengthening organisational governance and operations.
- Identifying opportunities to better meet the needs of their communities.
- Fostering effective partnerships with funders.
- Connecting with corporate and specialist support.
- Strengthening evaluation capacity.



# Impacts of our work

At the time of writing this report, the Centre is completing an evaluation of its work. Drawing on interviews, client surveys and document analysis, the evaluation shows that the centre is delivering positive benefits for its clients in many ways.

**For philanthropic funders, the Centre is contributing to their organisations in the following ways:**

- **Guiding new practice:** CSI works with funders to articulate a vision, and through this to develop strategies and funding frameworks. Together, these guide practice that is owned and shared by trustees and management alike.
- **Evidence-based practice:** CSI's approach of engaging with evidence on leading practice has helped organisations reframe their funding towards more strategic issues, and areas of need.

- **Strengthening organisational cultures:** The inclusion of trustees alongside staff in developing organisational vision has given both governance and operational staff greater ownership of their grant-making decisions, and particularly for trustees, greater confidence in their role as investors in their communities.
- **Funding shifts towards high-needs/high-impact grant-making:** CSI's work brings a critical eye to grant-making practice, and has enabled conversations and strategic decision-making on key areas of need in communities, and where higher social impact can be achieved.

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*“It now means we’re in a position to do some really kick-ass granting... We’ve done some really fantastic granting in the sort of impact space previously, but I think our methodologies of doing that are really tight now.” (funder)*

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**For community organisations, the Centre’s activity is supporting the following outcomes:**

- **Strengthened leadership capacity:** Through working with senior leadership to strengthen their own leadership practice and tools.
- **Improved service design and delivery:** Organisations that we work with are clearer about what they are trying to achieve for their communities and stakeholders, and are drawing on CSI to help them put this into practice.
- **Strengthened governance:** organisations feel better able to reflect critically on their governance functions and capability, and the relationship with operations.
- **Improved evaluation capacity:** CSI's regular engagement with community partners in their evaluation functions has strengthened their data collection and ability to reflect on impact.

*“I think it’s helped our kaupapa develop rapidly, being able to have access to that mātauranga, and that level of skill ... I know with CSI on board, it’s accelerated that process, and it’s been able to scaffold the learning, the development, the process, where we’ve needed to.” (grantee)*

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# The value we provide

Client feedback indicates a range of strengths that the Centre brings to its work:

- **Collective expertise and knowledge base:** Through its network of staff, associates and impact partners, CSI brings skills in a range of areas including cultural engagement, facilitation, strategic development, business and finance, organisational development, subject matter expertise, and philanthropic sector knowledge and experience.
- **Breadth of client base:** The range of work CSI does with community trusts, donors, family trusts, corporates and community organisations reinforces collective learning across our work.
- **Breadth of service offering:** Many clients see value in the range of services the Centre can bring to the table. This creates efficiencies in contracting, engagement and learning.
- **Collaborative processes:** Clients value the sense of partnership, and CSI's ability to constructively challenge established practice and thinking.
- **Responsiveness:** CSI is responsive and offers flexibility in the way it operates.

*“There are others that can do elements of what they’re doing. But not really the whole package, and not to the level, that CSI can actually do it I believe. I think it’s a clear advantage.” (funder)*

*“That’s really an important way of working for us, is very collaborative, and people love the kaupapa, so they’re really generous with their time and expertise to āki in any way possible that they can.” (grantee)*

The diagram below details areas that our clients valued most in their dealings with the Centre.

The value of working with CSI (average score where maximum is 6.0)



## Looking ahead

Leaders in the philanthropic sector are charting new directions to improve their impact in our communities. The opportunity and the challenge of the innovative directions that the sector is now taking is being open to change and difficulty. For the Centre, this means that we need to continue to be adaptive as relationships and learning unfolds, and receptive to feedback along the way. Working together, we believe that the Centre is well-placed to support the sector on a journey of strengthening impact.

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# Case Studies

*Thoughts on the leadership of change in the philanthropic sector*



## Case Studies

Over the past year, the Centre for Social Impact has worked alongside a number of philanthropic funders on their journeys towards more strategic grant-making for social impact. Our case studies this year focus on the journeys of three of these funders: Eastern and Central Community Trust; TSB Community Trust; and the Vodafone New Zealand Foundation. We asked the chairs and chief executives of these organisations about the change they are making, how that is affecting the way they work, and the challenges of leading that change.

**These interviews provide an insight into the dynamic and multi-layered nature of change in the sector. The successful management of change requires skilled leadership and strong working relationships between a chair and a chief executive, which is evident in each of our featured organisations. Some other key insights from our interviewees into effective change management include:**

- **Take time** - Many philanthropic organisations, such as community trusts, serve diverse communities. There are multiple stakeholders to engage. When your 'market' is your community, you need to allow time to ensure you bring your community along with you on your journey.
- **Socialise and inform** - At a governance level, time needs to be invested in socialising new thinking. "Start the conversation without having anyone make a decision...then provide information." Then support this with demographic information, data analysis, and international evidence and practice that provides insights into needs and opportunities.
- **Engage with the community** - Community engagement delivers value, both for the insights provided, and for the message it communicates about accessibility and a willingness to listen. In a sector where 'nothing about me without me' is axiomatic, community engagement can also be a first step towards creating working partnerships with previously under-served and marginalised communities.
- **Be clear about your organisational values** - As personnel change, at both governance and staff levels, clarity about the values of the organisation is essential. Values provide an anchor for decision-making over time as board members and staff come and go.
- **Know where you are going** - A compelling shared vision and strategy for community impact holds board, staff, and community partners together in pursuit of change for good.
- **Be prepared to take risks** - Philanthropic funders can play an important role in working with communities to find new approaches to long-established problems. Where there are no easy answers or obvious solutions, success is not guaranteed. It is important that funders acknowledge and accept the possibility of failure – and are prepared to accept the risk as part of a shared process of learning with community partners.
- **Build relationships with community partners** - Strong relationships with community partners, based on shared goals and a joint commitment to learning, are essential as philanthropic funders support higher risk initiatives to address complex issues.

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*Case study*

# Eastern and Central Community Trust





Geoff Milner, - Eastern and Central chair



Jonathan Bell - Chief Executive

Eastern and Central Community Trust (ECCT) serves the East Coast, Hawkes Bay, Manawatū, Horowhenua and Wairarapa. The Trust distributes approximately \$5million in grants every year to a range of community organisations.

In 2016, ECCT engaged CSI to work with them to review their approach to funding, and help them develop a funding framework to support their new strategic plan. ECCT was particularly interested in gaining a better understanding of the needs of its communities, in order to design effective philanthropic practice and funding mechanisms to better meet community needs.

We asked Eastern and Central chair, Geoff Milner, and General Manager Jonathan Bell, about the changes that lead to the review of their funding, and the process of leading change across ECCT's stakeholders.

#### **Geoff and Jonathan – how has the region changed since the Trust was founded nearly thirty years ago?**

**Jonathan:** We're still dependant on the primary sector as the main economic earner. This includes farming and fishing, two large industries in our area. The population hasn't increased markedly, it hasn't grown significantly. There's always been a high proportion of Māori, particularly in certain areas. We are now seeing the similar demographics to the rest of New Zealand with a burgeoning older population with the baby boomers. But in some of our areas we have more young people, and more young Māori, compared to the rest of New Zealand.

**Geoff:** Media and social media have brought greater attention to how different people live within our community, so there's a much greater understanding of the different parts of our community. Each sector of society is much more informed about how others are living. There are those who have always lived in poverty, but that's now more transparent to people who have never worried about things of poverty. So the understanding of the complexities of our society – it's much more transparent today than it was 30 years ago.

I think also within the last 30 years within the Eastern and Central region there's been a greater renaissance of Maori. Maori are claiming their place I guess with Treaty settlements and with the Crown recognising the obligation to have Maori involved in decision making as tangata whenua. Thirty years ago it was 'what's happening at the marae?' Now it's 'what's happening in the rununga, what's happening in the iwi, where is the iwi voice?'

#### **What are the implications of these changes for the Trust?**

**Geoff:** Those very complex social issues are all rising to the top. For organisations such as Eastern and Central, those issues are being brought to our attention in a much greater way today. So we're challenged as a Trust around what's our response to contributing to finding solutions to those complex social issues that largely reside in the bottom quartile of our society.

**Jonathan:** It's trying to get all New Zealand to understand that we are all in it together and we've got some issues, we need to actually all fix them together because they are not going to go away.

**Geoff:** But the parts of our community who are doing well, the challenge for a community trust like ours is that actually we are set up to serve that community as well, in its wider sense. So the

challenge for our Trust is that we would tend to default to that other side of our community who are screaming out for support, but we are also required to be mindful of all aspects of our community.

**Jonathan:** It's that equity and that fairness. Not only within the community, but also across the region.

**As you broaden the scope of your grantmaking, how do you bring your stakeholders along with you?**

**Jonathan:** One of the things that we have realised is that you've actually got to go to your communities and listen, which is something that I don't think we have done well in the past. We have changed part of the work we are doing at the moment with our funding strategy and funding strategy framework review, because we have started community consultation. We have also started having a few more online surveys, and we've changed the way we do our funding clinics. We go to the regions and talk to people not only about applications and what we can and can't do and how we can help, but also what is happening in their communities, what are some of the positive things that people are doing.

**Geoff:** In terms of governance, it's about moving from 'I know it all' to 'hey I'm here to ensure the Trust is going out and talking and consulting with the community, is going out researching the community and ensuring that there's sound evidence to bring back to make decisions.' So I think there's an evolution from representative governance, i.e., 'I am from Wairarapa, so I represent Wairarapa' to 'I was appointed through my relationship to the Wairarapa, but now I am around the table I am going to act in the full interests of the organisation and bring a broader governance perspective to it.'

**Getting that change is a leadership challenge. What do you think people could learn from your experience?**

**Jonathan:** I think there are a few things if you want to make change from a leadership point of view, and Geoff always uses the word socialise. So I think the very first thing you should do is socialise an idea. It's a stepped process. Start the conversation without having anyone make a decision so that they can start thinking about it. The next thing is that you provide information. Eventually you put something in front of the Board and people can say 'yes I understand where you are coming from, yes we have talked about this, let's get on and do it.'

The other thing about change is the pace of it. You can't go too fast. It's the old story, that we are going on a bus journey to your destination. The key thing is you've got to get everyone on the bus with the door closed. You've got to keep everyone on. Sometimes you speed up, sometimes you slow down, sometimes you might stop for a little while and have a breather, but eventually people start sitting in the seats they want to. If I look at our Board over the last three years it took some time to get everyone in the bus.



*“Our community has changed, and we have to change with it, because if we don't someone will be coming and tapping us on the shoulder and saying ‘you guys for the last 10 years, what have you been doing?’”*

*Jonathan Bell*

*“It’s about moving from ‘I know it all’ to ‘hey I’m here to ensure the Trust is going out and talking and consulting with the community and ensuring that there’s sound evidence to bring back to make decisions.’”*

*Geoff Milner*

**Geoff:** There are two leadership positions that are crucial to making significant change, the Chair and the CEO.

The Chair’s appointment, because it’s an elected position, also provides a bit of mandate from the majority of the Board to achieve change. People pretty much know what drives an individual who is ‘I’m just happy to tick along’, versus people who are open to change. I think, when we reflect back, my election as the Chair was on the basis of the trustees of the time saying ‘we want to change some things’. That doesn’t mean change happens quickly, but that was the impetus for a change.

Then there is an emerging leadership within the Community Trust sector of a CEO type of person who understands strategy, leadership, engagement, implementation, all the usual stuff you see outside of Trusts, and they’re bringing that experience to bear inside the boardroom.

**One of the issues with managing change in a community trust is the appointment of new trustees. What is the impact of that?**

**Geoff:** I think community trusts often fear the changeover of trustees. I think that’s an unfounded fear if you have good common sense practice, governance that makes sense, and strategy that is easy to explain and easy to communicate that relates to the core values of the Trust.

You often hear ‘what if we go down this direction and the next group of trustees don’t agree with it?’ But why wouldn’t they agree with it? Without that good strategy and direction, yes a new group of trustees can come in and say ‘well I don’t see any direction here so I am going to start one.’

**Jonathan:** In the last couple of years, Geoff and I have changed the way that we do the trustee inductions. The previous way of doing it was basically to say, you know ‘this is who we are, this is where we have come from, here are some of our policies, read them, and this is where we are’. But the last conversations we have had with two new trustees coming on has been totally different. It’s the ethos of why we are here and information about the change that’s occurred, where we want to go, and what our vision is. It’s totally different.







ECCT community hui  
Photo: Sonia Yoshioka Braid

**If you move from transactional grantmaking to a portfolio approach that includes investing in complex areas where there are no easy answers, you will be taking some risks. How are you managing the thinking around this?**

**Jonathan:** Those light touch community grants everyone understands, and these are low risk. We give out 500 grants per annum between \$4,000 and \$10,000. When you go to the other end of the scale, that's where you need to do your research, do your due diligence and try to mitigate that risk as best you can.

We will eventually get to the point where we will have an innovative fund. I think it comes back to the process that we went through. There are a number of things to explain. If you are going to go to that high risk area, you are going to have to do some work on it to understand it fully. It's not the sort of thing that you are just going to go and throw money at.

But you can't stay stagnant. You need to develop and change what you are doing for the market. At the moment, our market has changed. Our community has changed, and we have to change with it, because if we don't someone will be coming and tapping us on the shoulder and saying 'you guys for the last 10 years, what have you been doing? You have made absolutely no impact, what are you doing with that money?' We have a responsibility to our communities.

**What difference has the support of the Centre for Social Impact made?**

**Jonathan:** The value has come in a couple of areas. One area is, it's an independent organisation. The other thing is that CSI has come to us with no preconceived plans or ideas to say "this is what you should do." So they've listened which is good.

**Geoff:** Fundamentally, everyone is after the same thing in philanthropy; we go in with good intentions to really lift our communities, build our communities to be more cohesive, tackle some of the complex issues. So CSI have brought their wealth of experience as professionals, but also their expertise from working with other organisations, to our table and our strategic planning. They've challenged our view of ourselves and what we are doing. So they've really stimulated the innovative thinking of the trustees, and again challenged us to really ask the questions around our practice.

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*Case study*

# TSB Community Trust





Maria Ramsay - Chief Executive



Hayden Wano - Chair

TSB Community Trust is one of 12 New Zealand community trusts, serving communities in their respective regions. Each year the Trust receives a dividend from TSB Group Ltd, that it can apply towards supporting charitable, cultural, philanthropic, recreational and other purposes beneficial to the community within the Trust's specified area.

In 2016, TSB Community Trust developed a new Strategic overview with a focus on supporting child and youth wellbeing through its grantmaking. In support of this, CSI has worked alongside the trust to develop a Funding Framework to support the Community Funding and Investment section of the trust's strategy.

The focus on child and youth wellbeing is another step on a journey the TSB Community Trust is on towards becoming a more strategic grant-maker. We talked to Chair Hayden Wano, and Chief Executive Maria Ramsay, about the Trust and its journey.

**How has the Taranaki region changed since the Trust was founded nearly thirty years ago?**

**Maria:** I guess it is similar to a lot of places in regional New Zealand, more people have shifted into towns. In the past rural areas were more populated, farms were smaller and there were more small community schools. There were more jobs on farms and in the smaller towns, for example I grew up in Waitara and when I was young there was the freezing works, the Swandri factory, Subaru car manufacturing and Duncan and Davies horticulture. They have all gone. So there are probably more pockets of deprivation in Taranaki than there used to be.

We have smaller pockets of those in true poverty and similar issues as the rest of regional New Zealand.

Māori achievement and Māori health statistics reveal inequities. We have eight iwi in Taranaki, and it is still early days for the majority of those that have settled. They are setting up their systems and getting themselves going. We will see a bigger impact from them in years to come.

Another change has been the growing arts and creative sector, I think we have started to cement ourselves as a regional cultural hub with things like WOMAD, Puke Ariki, and the Govett Brewster Art Gallery / Len Lye Centre.

#### **As your region has changed, how has the Trust changed?**

**Maria:** We are so much more engaged with our community now than we were ten years ago. People know who we are, they know the grants team.

Going out into the communities makes a difference. There are definitely a lot of organisations that never used to get funding from us that do now, so I think we've improved by just becoming more accessible. One of the ways we've improved that is by employing Kapoi Mathieson as our Matatuhi Putea grants assessor. This is a new position which has been established for less than a year and yet has already had a big impact. The number of Māori organisations engaging with us has really increased.

**Hayden:** I think our own journey has been one of growth. Growing understanding of what is possible. Our history was we were a reactive funder, people came to us. We were a mailbox, we received applications and we passively responded. Part of the journey over the last 11-12 years has been our role as a shareholder of a significant business that has done well and is doing well, as well as heading towards being a more strategic philanthropic organisation.

**Maria:** The Trustees have said that they would always look at continuing the small grants. We do a lot of little grants – operational grants that are only \$400 or \$500. They keep little clubs going, they're part of the fabric of the community. The little knitting and sewing groups, they're important to the people that belong to them and important to that community and it is not a lot of money, but it is enough to keep them going and feel like they're valued.

But our ability to make grants into the community has increased, as our income has increased. When the Trust first started back in its first year it gave out \$161,000. Now we are giving out over \$10 million to a population of 109,000, so we have got some serious money that we can use to make a significant difference. That means that you need to really start thinking about what difference the funding is actually making.

**Hayden:** Increasingly, probably since about 2009, we have started to think more long term, looking beyond one year, looking at grants over multiple years, looking at bringing other providers together or encouraging more collaboration with other funders. So really looking outside of our own sandpit and looking where we can make a change. We were fairly tentative in those early days. Where we are now is we are more confident about where we want to go. That means being very clear about what we say we are going to do but also saying what it is that we're not going to do.

*“We are so much more engaged with our community now than we were ten years ago. People know who we are, they know the grants team.”*

*Maria Ramsay - Chief Executive*

*“Increasingly, we have started to think more long term, looking at grants over multiple years, looking at bringing other providers together or encouraging more collaboration with other funders.”*

*Hayden Wano*

**So how does your funding framework address the range of grant-making options you now offer to Taranaki?**

**Maria:** Our new funding framework is designed around the concept of our mouna. At its base our Community Funding supports the fabric of our community, as mentioned earlier. Then we've got our Strategic Philanthropy, then Innovative Philanthropy and then at the peak, our Impact Investing. The further up you go the higher impact we want to see on [the trust's priority of] child and youth wellbeing.

**As you have broadened the scope of your grantmaking, how have you brought your stakeholders along with you? Were there any challenges?**

**Maria:** I think one of the biggest things was time. You have to make sure that you take the trustees on the journey, that they have enough information.

**Hayden:** The first hurdle I think we encountered was 'we cannot walk away from our communities.' And it was really just trying to get a level of assurance that that wasn't the intention. Then it was about actually dedicating some time in our agenda and in our work programme to plan. To actually have a plan and being clear and firm. So we have a mechanism now which is to have a couple of strategy sessions a year and to have some time devoted to strategy in our regular meetings. It seems pretty basic stuff but at the time it wasn't.

Having made decisions, then it was about resourcing the strategy. At the end of some of our strategic sessions and budgeting processes we would say to Maria, "what do you need to make this fly?" So part of that process was to develop a research team. A team of people who could pull together the information to actually show where the need was and how we might be more focussed and targeted about what it is that we do.

We put a lot more discipline around the decisions we were making, as opposed to the horse trading that used to go on around the table about the various portfolios, where you would be basically an advocate for your area.

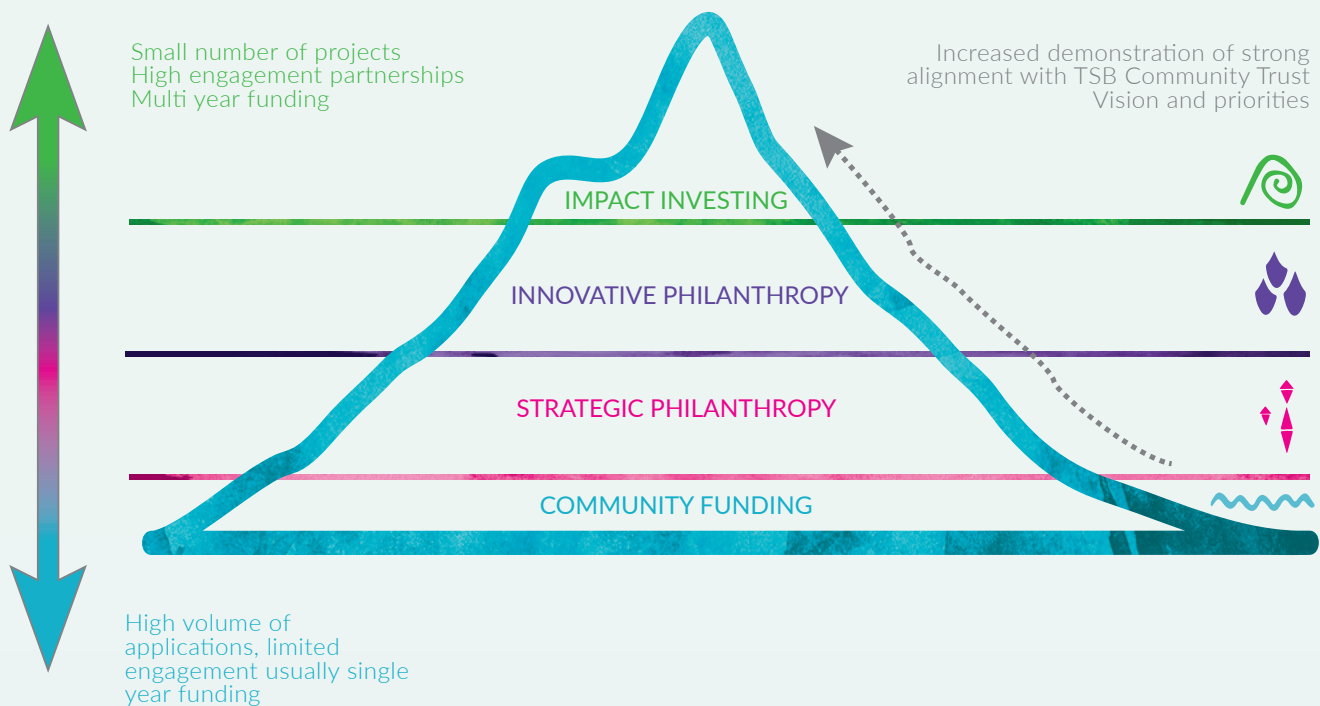
**Maria:** Something else we did, probably about three years ago, was develop organisational values. Some core values around how we will be, how we will behave. That has been really important, because there has been different times where the trust could have made a grant or could have acted in a certain way but you can come back and say "if we do that, what does that mean to our core values? How are we adhering to our core values if we do that?" It grounds you. So I think core values are really important, and we worked developed those with the trustees.

**As you have moved into more strategic grantmaking, how has that changed the way you work?**

**Maria:** We have looked really carefully at the information we collect about grants, then making sure that we've got information to show the trustees, really analyse where our funds are going.

When we got our new database that made a huge difference, because now we can look at the data and identify in the community funding area how much of that funding is actually having a positive impact on child and youth wellbeing. And there is a huge amount that is. The biggest area is access to opportunities. So it might be if you fund a school to have iPads in the classrooms, that is an opportunity that some of those kids wouldn't have had. If you fund a sports club to have all junior uniforms covered, then you have given an opportunity to someone who might not be able to otherwise play that sport because they can't afford the uniform.

We have also gone down a line of looking at design thinking, collective impact. So looking at actually working with communities and thinking that we might have resources but we don't have the answers. Accepting that we should not go into a community and say 'here is one that we prepared earlier, and this will fix all your problems.' Because there is no point in just putting another programme into an area that may already have 200 programmes that are trying to address the same thing. So it is quite slow. That, I think, some trustees have found quite frustrating.



**As you move up your strategy mountain, you will be involved in funding in complex areas where there are no easy answers. That means the trust will be taking some risks. How are you thinking about this?**

**Maria:** I think the thing that we have discovered in our strategic philanthropy, and the little bit we are doing in innovative, is you don't just meet someone off the street and say "let's have a strategic relationship and we will do some funding with you." You get to know them. You actually have to have a degree of trust. It is quite different to down at the base. You don't have to know the people closely to provide community funding, you are just doing basic due diligence, ticking the boxes and off you go. Whereas up there at the top of the mountain you have to have a relationship. If you haven't got that relationship, then I personally don't think it would work.

You have got to be prepared, especially when you get into innovative philanthropy, that some things won't work very well. But we are there as partners and we just say "well that didn't work we should try and do something differently."

This takes a lot of people time. It is not just dollars, you have got to have staff, you have got to have human resource. I don't think you can even contract some of that stuff out. As an organisation - you have got to have the relationship with those people.

**As a trust, you are under way with your strategy. What do you think your grant-making will look like in five years' time?**

**Maria:** In five years' time I would hope that we've actually got some impact investing going on, so we are not just going to be a grant maker, we are going to be an investor in communities in a different way. I mean, we are an investor in communities now, you could say, but in quite a different way and on a bigger scale. I would hope that what we are doing is we are not just giving out grants to organisations, but we're actually enabling communities to think about what it is that they need that is specific to them, and working with them and supporting them to develop and test their thinking.

Case study

# Vodafone New Zealand



*Antony Welton with World of Difference  
Fellows Stace Robertson and Deirdre Otene*



Antony Welton, Chair,  
Vodafone New Zealand Foundation

Since it was established in 2002, the Vodafone New Zealand Foundation (VFNZ) was established in 2002 has invested over \$25million into communities across the country. Since 2007 the Foundation has been focused on improving outcomes for young people in Aotearoa, making it the only national philanthropic foundation with an exclusive focus on youth.

Until 2017, VFNZ's primary focus was its World of Difference programme. This funded leaders/changemakers to work for twelve months on a key youth initiative of their choice. Following an evaluation of the World of Difference programme, VNZF were keen to pause and reflect on the Foundation's funding focus and approach, in order to ensure the Foundation was positioned to make the most impact possible.

VNZF partnered with the Centre for Social Impact to explore opportunities, and to develop a new 10-year strategy that would be fit-for-future and impact-focused.

At the heart of VNZF's new strategy, launched in May 2017, is a Big Hairy Audacious Goal: to see all young people in New Zealand living lives they value. VNZF is backing this with \$20 million over ten years to transform the lives of 210,000 young New Zealanders who don't have access to the resources and opportunities they need to grow into the great adults they want to be

*“We are accountable to ourselves. So I think we therefore have a duty to take more risk and with that comes the opportunity to potentially do something much more exciting.”*

*Antony Welton*



We interviewed the Chair of the Vodafone New Zealand Foundation, Antony Welton, and Foundation Manager Lani Evans, about the process of creating and launching their new strategy.

### **What prompted you to rethink your strategy?**

**Antony:** As a Board we came to the conclusion a year ago that despite all of our efforts, if you look at the macro level, if you looked at the statistics in New Zealand for young people and particularly for those most excluded and disadvantaged the numbers appear to be getting worse. That said to us we probably need to be doing something different if we want there to be a bigger impact.

### **World of Difference ran from 2002 to 2017. What are your reflections on that?**

**Antony:** We have adapted and focused the strategy at different points through our history and I guess there were two points of major reflection. One was the ten year anniversary in 2012. There was a piece of evaluation done to look back at what impact the Foundation, and World of Difference in particular, had over the 10 years. At that point it was clear that it was effective, but it was also clear that it wasn't easy to measure or demonstrate how successful it had been. It was through the stories of lives impacted that you could see the benefit, not through any tangible measurement. That started triggering a series of thoughts about 'well we probably should be able to know better exactly what the impact is.'

**Lani:** The World of Difference programme was fantastic – it was a very human focused, relational model of funding that built strong networks and leadership across the sector. I'm incredibly proud of the work we've done and the mahi of the recipients and the alumni group. But as a funding mechanism, the individual lens of the World of Difference constrained us in unexpected ways, narrowing our focus to programmatic interventions, reducing our ability to effectively collaborate and potentially contributing to burn out in the sector.

### **How did you go about changing the Foundation's focus?**

**Antony:** Over the years, we have developed very strong practice which has been around 'we don't know best, the people working with young people know best, and the young people themselves.' So we took that model and the high engagement principles that we have exemplified for the last ten years or so, and said 'well if we took those together and we were reframing our strategy, actually what we would do is we would go out and talk to those constituents. So that's what we did. We went and talked to our partners, NGOs we hadn't worked with, young people, Government, different stakeholders. We ran hui all over the country and that informed the shaping of our strategy.

**Lani:** We wanted to pull in as much knowledge and expertise as we could – we're a small Foundation, but we pack a big punch and we want to make sure we're hitting the right places. Our aim was to be as robust and as participatory as possible in the process we used. We consulted with current and past community partners, conducted a social psychology study, an economic analysis, an evaluation of our historic work, a literature review and ran stakeholder hui around the country. Once we'd gathered all the data, CSI helped us pull out themes and we worked with the board to shape those into a high level strategy.



Lani Evans, Manager,  
Vodafone New Zealand Foundation

*“We’re a small Foundation, but we pack a big punch and we want to make sure we’re hitting the right places.”*

*Lani Evans*

**In terms of leading that change from a governance perspective, how did you bring your stakeholders on board?**

**Antony:** That's the process that Lani and the team from the Centre for Social Impact ran. At a Board level we talked about who are the kind of constituents we wanted to understand which is why we set up a number of processes. For example we said we are going to be talking to other businesses and Government, so we commissioned economic research. That meant we had the kind of statistics and the measures we needed so that we could talk to those stakeholders in the language that would be important to them, and be able to demonstrate the need.

**Your World of Difference recipients are an important network in the youth sector. How did you bring these alumni along with you?**

**Lani:** The alumni helped build this strategy – they participated in the social psychology study, the evaluation and the stakeholder hui, they took late night phone calls from me asking questions and worrying about different components. They're incredibly passionate about our communities and about our young people and the new strategy will give us more tools, more levers for supporting them and their work. That's what matters.

Joshua Briggs (our Foundation Grants manager) and I were World of Difference recipients too and I think that helps us keep the connection strong. This isn't a strategic change being imposed from outside – we're part of the alumni and part of the Foundations whakapapa and I hope that this is seen as evolution, not revolution, building on the work that's gone before.

**How did you engage the Vodafone team?**

**Antony:** The Foundation is really important to us, it's kind of part of what we do, so we need to always engage at multiple levels. There are hundreds of people across the business for whom personally, this is who they are. They are champions or advocates. They want to be involved, they volunteer their time and so they are really important constituents also.

We are now in a phase of bringing the strategy to life in the business. We are formalising those champion roles. We are going to name them and celebrate them and get them more directly involved. And at every functional leadership team meeting Lani has been to present and talk through the strategy and explain what it is. We are going to get the senior leadership forum, the top 70 people in the business, and take them through in more detail around strategy and how it works. We are going to take all of our sales force through, because they enjoy telling customers about it and they are proud of what we do. Then customers see the authenticity and how genuine it is when they hear it from someone who is passionate about it. The final thing is that we are actually running a workshop with key stakeholders across the business to look at what about our products and our services and our technologies and how might we use our core business to impact the goal. I think actually that's where we can make a really much more powerful difference.

**Lani:** The opportunity for us here is to engage the business really effectively. Our new strategy provides us with the impetus to explore the synergies between the Foundation and the business, to deepen



*Lani Evans with World of Difference recipient Gary Diprose of Springboard Community Works, and Vodafone Foundation board member Jennifer Gill, CEO of Foundation North.*

our shared purpose approach. At the moment we're looking at a range of engagement strategies – including a champions network, facilitated skilled volunteering opportunities and innovation based shared purpose projects, including the Foundations collaboration with Xone for our Accelerator programme. If we can do that well, we'll generate a win-win-win situation.

**Your strategy will see you funding some initiatives in areas where there are no easy answers. How do you feel about that risk profile of what you are getting involved in?**

**Antony:** If I compare us to a community trust where many of the trustees will be political appointees; they might change very frequently over three years. Or a family trust where there are vested interests and somebody is very interested in the environment, and somebody is very interested in youth or whatever it is. We have a Board that's focused on its strategy, has to spend its money, and is really experienced. And we are accountable to ourselves. If we do something and it fails, we can choose to go 'great, we will learn from it' and not beat ourselves up. So I think we therefore have a duty to take more risk and with that comes the opportunity to potentially do something much more exciting.

**Lani:** Honestly, it's exciting. The challenge we've set ourselves is both complex and complicated – there are no easy solutions. Excluded and disadvantaged young people are dealing with multiple, overlapping challenges, many of which are culturally imbedded and systemic. We want to work at the point of overlap - where those challenges interact, where things get really tricky. That means we need to have an approach that examines things with an intersectionality lens, works in complexity and sits in uncertainty. That's scary, but exciting as well.



Antony Welton, Chair,  
Vodafone New Zealand Foundation

And in terms of that risk profile – philanthropy’s role was always to be the bold innovator, the adventurer who moved to fill gaps and push boundaries that others couldn’t. I hope that’s what we’re doing – and I hope we do it in considered and empathetic and iterative ways.

**What’s been the reaction to the strategy since it was launched?**

**Antony:** I had two concerns, one that people would misinterpret the stand as arrogance and two that they wouldn’t be interested. If we have a Big Hairy Audacious Goal, it’s got to be one that other people might care about for this to work. The sheer number of people who have been in contact since we announced the new strategy, who we had no idea about, across the country, it’s amazing. There are so many people working at this problem which in some way takes me back to we must be doing something wrong because there’s so much care, so much love, and so much effort going in little pockets all over New Zealand. So there’s something missing, but it also gives me great hope in that there is so much passion. There’s only 210,000 of these young people in this country. We can make a difference.

**So how do you see the strategy in action in five years time?**

**Lani:** I want to see the Vodafone Foundation continue to be a learning organisation that iterates and stretches boundaries. I hope that, in five years, we have some successes, some failures and some really robust and well considered learnings. The challenge with emergent practice is that you simply don’t know what the future looks like and to predict is to constrain your thinking.

**How did the Centre for Social Impact help with the development of the new strategy?**

**Antony:** There’s the obvious stuff, which is we are all busy, we are running the Foundation, we’ve got work to do. When you want to do something like this, it’s an unusual piece of work over and above what you are trying to do when you are running the day-to-day. So to have somebody to hold that, and to give you extra capacity and to think through what needs to come next is just always really valuable. Specifically, CSI has a range of skills and experts that it can draw on, who know the sector, know all the people we are talking to and more. The ability to draw on the variety of skill sets and the knowledge that they have of us and of the sector meant that we could progress much faster.

**Lani:** CSI’s support brought in an external perspective and provided a sounding board for ideas. Having CSI team members run the hui helped our staff and participants take a step back from their own experiences of the foundation and look at the work from a more objective perspective, one that’s centred on the ultimate goal – thriving young people.

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# Conclusion

The Centre for Social Impact's intermediary role between grant makers and funders, and their community partners, puts us in a unique position to see what is being learnt across the sector. Each client contributes to our team's knowledge of what works at each stage of a social impact journey – and where the pitfalls are. This means that what we are able to offer the sector is being continually refined by the experiences of organisations across New Zealand which are involved in social change initiatives.

A shared commitment to achieve better outcomes for our communities is at the heart of the Centre's relationship with each client. This commitment is also what links together the national community of practice, and conversation on social innovation, that is emerging around the Centre. As Geoff Milner, Chair of Eastern and Central Community Trust, said in his interview: "Fundamentally, everyone is after the same thing in philanthropy; we go in with good intentions to really lift our communities, build our communities to be more cohesive, tackle some of the complex issues."

The learning that we see happening across the sector is only possible when everyone involved in working towards positive social change is prepared to share their experiences and insights. The case studies in this report are an excellent example of collaborative enquiry in action.

*Kia ora*  
Thank you

