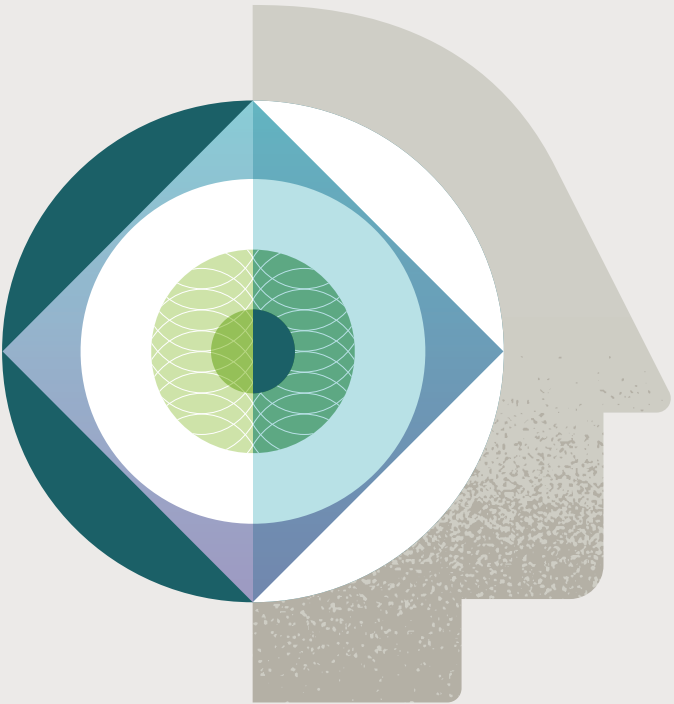


MacArthur Foundation

DESIGN / BUILD

Understanding Our Emergent Strategy Framework



FEBRUARY 2017

OUR MISSION

The John D. and Catherine T. MacArthur Foundation supports creative people, effective institutions, and influential networks building a more just, verdant, and peaceful world.

MacArthur places a few big bets on areas where truly significant progress is possible and supports a small number of longstanding commitments in areas of interest through enduring commitments. In addition to committing to a change agenda that includes bolder and bigger objectives, fewer and larger programs, and time-limited initiatives focused on demonstrating real results, MacArthur has adopted a Design/Build approach to how we work. This document lays out a high-level overview of Design/Build so that all staff have a basic understanding of our approach.

WHAT IS IT

Design/Build as a concept comes from the worlds of architecture and construction. Traditionally, people might hire a designer then bid out the resulting construction as a distinct and sequential step following design work. In Design/Build, there is greater integration across these steps, bringing all members of a project team together early in the process to identify and address issues of cost, constructability, and schedule and allow for greater iteration between the designing and building processes.

In our philanthropic context, Design/Build is an orientation to how we work, recognizing that social problems and conditions are not static. As with building plans, we can't expect to create a strategic plan, make grants, and wait to see our anticipated result at the conclusion of the strategy. Rather, our work can and should evolve along with the context and environment in which they operate, with greater iteration over time. Importantly, the Design/Build approach acknowledges emergence and systems thinking:

EMERGENCE

The process by which, through many interactions, individual entities create patterns that are more sophisticated than what could have been created by an individual entity. As a corollary, no one entity could have envisioned the entire solution a priori.

SYSTEMS THINKING

Systems thinking focuses on how the thing being studied interacts with the other constituents of the systems of which it is a part. Instead of isolating smaller and smaller parts of the system being studied, systems thinking expands its view to take into account larger numbers of interactions while studying an issue.

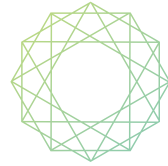
This means we can't and won't develop static strategies that presume a fixed understanding of how to reach our objectives. We must explicitly attend to our work in an ongoing way: scan the landscape, understand and challenge our assumptions, assess our effectiveness, measure our contributions, learn from our efforts and take advantage of emerging opportunities.

OUR BUILDING BLOCKS



Fundamental components of our philanthropic practice include: developing and implementing strategy, monitoring grants, and evaluating our efforts. Here we define each of these components so that across the foundation we have greater shared understanding about how we use these terms in our work.

1



STRATEGY DEVELOPMENT AND EXECUTION

“Strategy” itself is a set of ideas, approaches, assumptions, and hypotheses. The Foundation has two types of strategies:

BIG BETS

Significant resources applied to a single Foundation-selected problem or opportunity in search of large-scale outcomes and impacts within a specified timeframe.

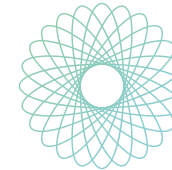
ENDURING COMMITMENTS

Outcome-oriented investments in areas where the Foundation has longstanding interest and unique assets.

Staff roles and activities relative to strategy include Development and Execution. In Design/Build, strategy development and execution are not strictly sequential; after initial development, further development and execution happen iteratively over time.

In Design/Build, the sets of ideas, approaches, assumptions and hypotheses should be regularly interrogated and refined toward the defined goal.

2



GRANT MONITORING

Monitoring occurs at the grant-level to systematically collect and review data and information to assess the progress of a grant.

Monitoring activities (e.g., phone calls, site visits, report reviews) fill multiple functions within grants, including relationship building, troubleshooting, field scanning, shared learning, identifying additional supports for the work and checking on accountability/compliance.

Monitoring documentation can allow synthesis and insights across multiple grantees and provide institutional documentation about the grantee and grant.

In Design/Build, monitoring efforts can provide important information to inform ongoing reflection and strategy refinement.

3



EVALUATION

Evaluation allows for systematic and objective assessment of a strategy at a portfolio-, initiative- or program-level to help the Foundation measure results, learn, reflect, course correct, adapt and/or make better-informed decisions.

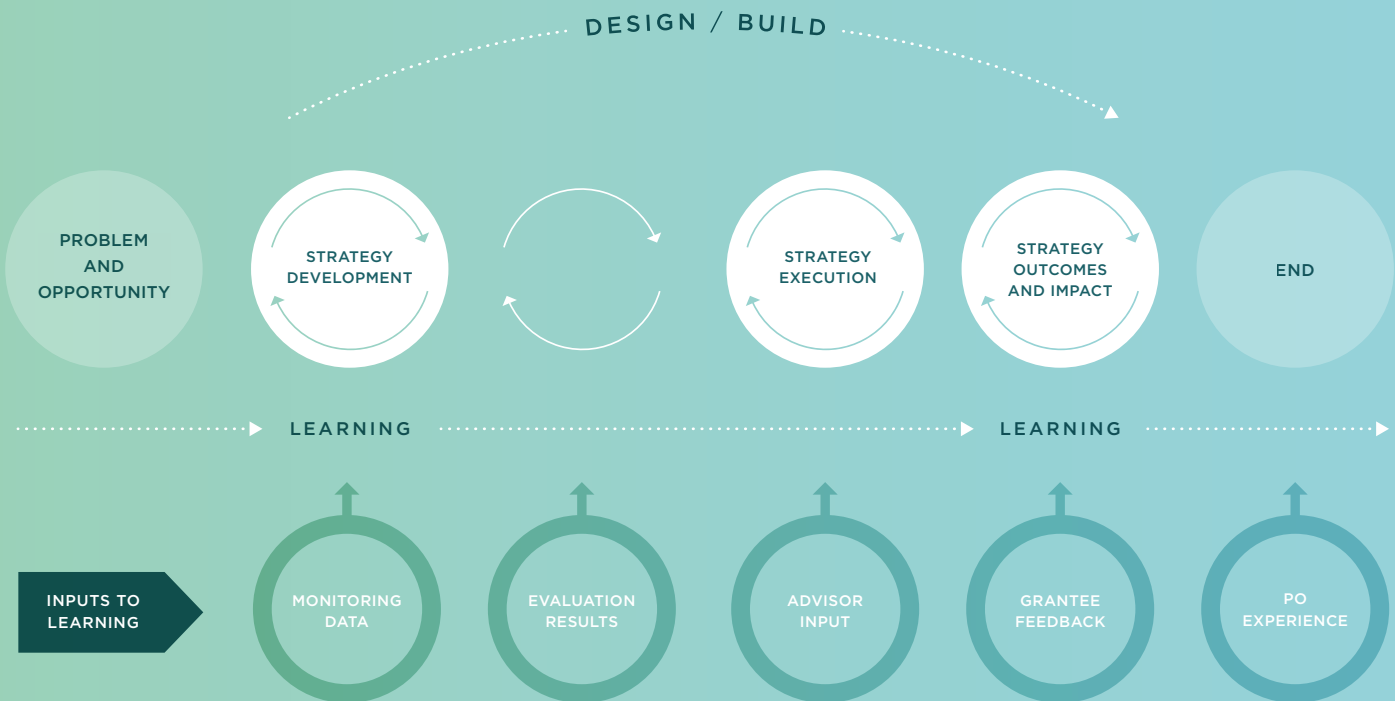
Evaluation can serve different purposes, which have different degrees of importance over the lifecycle of any strategy. Our evaluation activities meet four types of information needs, including those related to landscape, feedback, outcomes and impact.

In Design/Build, evaluation products and evaluative thinking should help sharpen our theory of change, monitor the evolving landscape, challenge our assumptions, identify and track progress and success, and provide near-real-time feedback.

LEARNING

Learning is an integral part of living Design/Build. Adapting and refining strategy based on learning requires intentional focus, practices and efforts.

Learning results from many information sources, including monitoring information from grants, evaluation findings and products, lived experience from strategy execution, engagement with grantees and field experts, and more. Learning should result from different individual sources as well as synthesized lessons across sources. Because of this, learning is an activity that exists within and across strategy development/execution, grant monitoring, and evaluation, not as a stand-alone component. In Design/Build, explicit processes and time for learning are critical for being nimble and responsive with rigor. These components are at play in different ways over the life of a Big Bet or set of Enduring Commitment activities.



WHAT IT MEANS IN PRACTICE

Design/Build exists within strategies that are goal- and time-bound, providing parameters within which we exercise these judgements and adaptations over time. At MacArthur, we think about our work happening over time in three stages.

THINKING

Staff begin initial strategy development by conducting early thinking to develop the basis for a Big Bet or set of activities within an Enduring Commitment to be reviewed and considered for endorsement by Leadership and the Board.

IMPLEMENTING

Staff continue strategy development and begin executing against a more fully developed strategy during this stage, including grantmaking and non-grantmaking efforts toward the desired goal. During Implementing, staff will iterate between execution and development as information is gained and reflection is had about the work.

ENDING

Staff wind down strategy execution through an end, exit or legacy

Particularly during Thinking and earlier Implementing, we must be explicit about our thinking, be goals-based, and build in and use regular cycles of feedback in our work. Design/Build means that Foundation protocol must allow for flexibility around what we do. This flexibility will increase the likelihood of successful impact around the problems we choose to address.

That means Core teams must engage in regular reflection around the work, what we are learning, how our thinking is evolving, and how the context is changing. Processes for doing our work are intended to support greater nimbleness and adaptability. For example, ongoing 18-month planning is intended to avoid false certainty and surety about the long-term approach to a Big Bet or Enduring Commitment and provide space to learn or observe new things about how to proceed. Budgeting over a multi-year horizon and leaving some slack in how dollars are allocated is meant to allow for new ideas or the ability to shift away from something that isn't working.

OUR STRATEGIES UP CLOSE



This foldout provides a high-level overview of the key focus within each phase, as well as the associated required products.

1



THINKING

KEY NOTES

In this phase, staff consider the myriad factors that will influence and inform the basis of the strategy. Exploratory grantmaking may happen, and monitoring has a greater focus on learning and identifying big questions than on compliance. Some evaluative work happens, particularly work that provides landscape information, creates baseline data or supports greater understanding of a problem, field or context. This early thinking results in the basis for a Big Bet or Enduring Commitment to be reviewed and considered for endorsement by Leadership and the Board.

REQUIRED PRODUCTS

- Strategy Case Statement or Conceptual Framework

2



IMPLEMENTING

KEY NOTES

Initially, the elements of strategy first developed in the Thinking phase are further defined during Implementing through the development of: (1) deeper analysis and documentation of the landscape, and (2) deeper analysis and documentation of our approach. Later stages of execution include regular times to revisit and refine these analyses and assumptions based on lessons learned through the work of implementing the strategy (i.e., making grants, monitoring grants, supporting grantees, participating in and holding convenings, ongoing assessment of the external context, etc.) and from evaluation products. Learning during Implementing can be both around specific questions or to challenge and explore more fundamental assumptions in the Foundation's approach, theory of change or overall strategy.

REQUIRED PRODUCTS

- The Loop and public website content
- Core strategy documents
- Evaluation and Learning Design
- 18-month Work Plans, reflected on at least quarterly
- Documentation of reflection sessions
- Scheduled Review documents
- Communications plan
- Budget

3



ENDING

KEY NOTES

A strategy may move from Implementing to Ending based on several possible scenarios, for example: the original timeframe has been completed; the external context changes such that the strategy will not be successful; outcomes and impact are achieved faster than expected; or lack of outcome achievement prompts a change. Staff wind down strategy execution through an end, exit or legacy. During a final phase, the foundation will close out work using different strategies (i.e., ending grantmaking, providing legacy grants to secure progress or supporting capstone projects to serve as a distinctive, culminating activity). Learning in this phase is typically focused on learning for and communicating to the field, and seeking greater understanding about contributions programs have made and unintended results.

REQUIRED PRODUCTS

- Exit Paper
- Documentation of exit questions and staff reflections

IN CLOSING

Design / Build is intended to help us best advance our goals through our work.

As described in Julia Stasch's 2016 President's Essay, "MacArthur is dedicated to a vision of a just, verdant, and peaceful world, but we know there are many paths to getting there—most not yet conceived. There is no assured blueprint for the future, only determination to press on to the goal. What is certain is that we will ask, in our programs and our own practices, if we are doing enough to advance the first and foremost ambition of our mission."

While we will more explicitly and intentionally iterate while we execute as we gain new insights, formally track the landscape, and reflect on the work, we do not iterate eternally. For Big Bets, this means we create time-bound goals and identify touch points to determine go/no-go decisions. For Enduring Commitments, too, we also must review and consider the specific approaches or initiatives we choose to undertake within these areas of work.

This document does not provide a step-by-step guide for how to live Design/Build in day-to-day work; rather, it provides the conceptual framework for internal processes and practices. Program staff can find additional guidance on how to grapple with particular aspects of the work through the stages of a strategy in separate documents.