

Colby Reade: Welcome to the M.J. Murdock Charitable Trust Podcast on Writing Great Grants. We're a private nonprofit foundation serving the Pacific Northwest and, for more than 44 years, we've awarded more than \$1 billion in cumulative grants to organizations that serve and support our local communities. On this podcast, we want to share insights and information that help nonprofits flourish and thrive in order to serve [00:00:30] the common good.

On today's episode, our host, Steve Moore, the executive director of the Murdock Trust, sits down with Dana Miller to talk about assessment. Dana is our senior program director for grants programs and started his career in the financial sector before transitioning to senior administrative roles at three private liberal arts colleges in Kansas, Ohio, and Oregon. He oversees the entire grant application process and partners with our team of program directors to evaluate hundreds of grant applications [00:01:00] from amazing nonprofits serving the common good every year.

He has a wealth of knowledge and understanding from both the nonprofits and the funder side of the grants process, and he has some great insights that he shares with Steve throughout their discussion. Enjoy the conversation.

Steve Moore: So Dana, one of the most difficult issues that an organization can tackle is when we get to the issue of assessment. It's [00:01:30] such a challenging thing, and it's one of the real fundamental places where nonprofits are different than a lot of businesses. And yet, in a sense, both can learn something from each other. So let's kind of jump in and talk some about, when we talk about assessment, why do we use such a clunky term as assessment? What does that mean?

Dana Miller: Yeah, it's a good point. It is a massive term in lots [00:02:00] of ways. It has become a topic of great consideration in the funder's world or nonprofit world as of late, in part, because institutional funders, foundations and trusts and others like the Murdock Trust have, in many ways, raised their expectation for performance and [00:02:30] relative data to back that up, so to speak. On one level, that's really great. It's really commendable. It's really a good thing to think, "Hey, how well are you actually doing at achieving your mission and implementing your programs in a way that have a meaningful, identifiable, measurable impact in people's lives?" That's a good idea and a good thought. [00:03:00] Sometimes it goes a little awry.

Steve Moore: Dana, that's so true. And yet, the Murdock Trust has a bit of a unique approach to assessments and how we think about assessment. It's unlike a lot of funders. Would you talk a little bit about what our goal by thinking and talking with organizations about assessment, what is it we're trying to accomplish or to see?

Dana Miller: Yeah, yeah. That's a great question. Well, [00:03:30] I think you have to start with the idea, first of all, that at the Trust we recognize and understand that organizations are doing great work. That's the beginning place for us. So the

question then really is, how do they know that they're doing great work? And how do we know when organizations are at a place where they're ready for an infusion [00:04:00] of a possible grant from the Trust? So we have always taken the approach that if we look at an organization who is doing good work, it's going to be really evident in so many aspects of their operations and their approach, their governance, their way that they manage their money, all the things that are important to the long-term health of an organization.

So most [00:04:30] of our work in this area when we make our grants is done up front before the grant is even made. We look at all aspects of an organization's operations and their leadership and the way their board engages with their staff and their planning, their general financial health, lots and lots of components. That gives us a really [00:05:00] great indication of how well the organization is doing. So the short answer that I've made very long in my response, is that we look at the health of the organization ahead of time, and that gives us huge indication of how effective they might be actually at executing their programs and delivering on their mission.

Steve Moore: Yeah, that's a great point though because [00:05:30] organizations often wonder, why are we asking them all these questions? Of course, all these questions and the different segments that we look at are all on our website. So we're very upfront about what we're going to ask organizations, what we're going to be looking for. Part of our hope, of course, is that we'll provide a window of time where they can pause and reflect. This is part of our assessment of them.

But when it comes to their [00:06:00] assessment, we're unique in one way that we don't impose particular kinds of assessment on that. Why don't we do that?

Dana Miller: Yeah, yeah. It's a great point and great question. Well, we recognize that the nonprofit is the expert in the field in which they are already working diligently and working hard to try to serve people and others and communities. We admire that. We love it. [00:06:30] In most cases, that reveals really great aspects to their work, and that's what we depend upon. So we start with that assumption. We know that when we look at typical best practices or even those things which—they might not be best practices by the book, so to speak, but they make sense for the organization, they work for them in the space that they're at. We allow them [00:07:00] to show us that, to tell us that, to reveal that to us in any way that really makes sense to who they are, their unique calling, mission, place in the nonprofit world.

Steve Moore: How do they really understand what success looks like? And then how does that come back into the organization to, in a sense, make it part of their own learning and continual refinement and work in that kind of way?

Dana Miller: Absolutely. Yeah. [00:07:30] One of the fundamental things that we look for and hope to see in an organization is whether or not there's evidence that they are a learning organization, if they take their successes and their missteps or their failures or their struggles, and then they learn from those and they use that as a feedback loop for themselves because no organization has ever arrived at the point of being perfect, at least that we've seen. [00:08:00] They're on a journey.

If they're learning along the way, then we have greater confidence in their ability to navigate the unforeseen road that is ahead that they're still traveling on. So that gives us great confidence that as bumps, potholes, objects, fallen trees, all the other things, to use an odd metaphor, come into their path, they're able to [00:08:30] navigate it.

Steve Moore: No, that's so true. So Dana, as we think about assessment though, there's a lot being made about metrics in our world, about counting this and counting that. Give us an idea about assessment as we think about the importance of metrics, but maybe sometimes not the importance of metrics.

Dana Miller: Yeah. Well, we want to be really clear that we love [00:09:00] when organizations are able to capture in numbers, or other kinds of metrics, the impact of their work, the result of their efforts. We love that. Sometimes it's really easy for an organization to do that. They work in a space that those numbers come quite easily and at a reasonable cost. That's great. But other [00:09:30] times and in certain situations, metrics just really aren't easy to come by, and they are terribly expensive to try to obtain. So we try to respect that.

We'll ask them fundamentally, what does success look like? And then how do they measure that? That tells us a lot about their evolution, if you will, in measuring [00:10:00] what they've done and what they're doing and how they expect to measure something in the future. We try to learn from them. Of course, the other benefit for the Trust is that we serve a lot of organizations. While some sectors are occasionally new to us, we usually have history in almost every sector.

And while we don't measure one organization necessarily [00:10:30] against another, we do let the experience that we've had in a given sector inform our understanding of the space that the organization that we're talking with about a possible grant, our understanding of their work.

Steve Moore: That's a great point. It reminds us about why it's important to know what else is going on within a particular sector or sub-sector and building [00:11:00] that ecosystem, learning from other organizations, not just from our own organizations. Of course, we learn from the organizations that we serve. We regularly seek feedback, and it's changed some of our processes. It's helped us grow and ask even better questions because sometimes the best questions come from organizations.

I'm reminded of that saying that we often talk about, that not everything that can be measured [00:11:30] is important. You can measure a lot of stuff, but not everything that can be measured is important, and not everything that's important can be measured. So it's really discerning what is important to measure, and what is the best way to assess that? So I wonder if you could maybe just say a word about some of the things when you go out on a site visit or when you're coaching our program directors and they go out, what are some of the things [00:12:00] that you would look for in a grant proposal related to assessment?

Dana Miller:

Yeah, great. I'd be happy to try to answer that. Well, it's, first of all, a great honor to sit with an organization and learn about both their vision for serving others, as well as the challenges that they have. Our first objective really is to try our best [00:12:30] to understand who they are, what they're trying to do, and all the dynamics that come with that. What a privilege it is to sit around a table and see the passion of these organizations and their leaders and their commitment and the sacrifice that so often accompanies their work. It's amazing, and it's a real privilege and an honor.

So first of all, understanding who they are [00:13:00] and what they do is at the core. And then you can begin to unravel bit by bit what they're trying to do with a given proposal. Sometimes it's as simple as adding a new staff member or expanding their space through a renovation or even a second facility or something like that. All those things are important. But what [00:13:30] we try to do then is make the connection between those individual acts, as simple as they may sound, and the ultimate result of those for the organization and eventually the people or the communities that they serve.

So it's a matter of just kind of unwinding and getting at the core of those activities and what [00:14:00] they result in. Because, on the surface, it's easy to just look at it and say, "This is just new space," or, "This is just a new person to tackle this." That's great, but how does that connect to their mission? How does that connect to their strategic opportunities? Does it align with what the organization is already doing? Does it align with their expertise? [00:14:30] All of those things play into that, which then help us, and them, hopefully understand better their impact.

Steve Moore:

That's a great point. We see so many leaders come to the Trust who have such great enthusiasm and passion and energy for the work that they're doing. Oftentimes, they want to just, in a sense, get us [00:15:00] to catch that sense of vision, catch that sense of importance of the mission that they're trying to accomplish. And then we begin to ask questions about strategy and about effective execution and about what they're learning from it and those kinds of things. Why do we do that kind of thing?

Dana Miller: Yeah, yeah. It is sometimes a little bit of a shock to the organizations, I think, who maybe haven't had [00:15:30] much experience with institutional funders and a rigorous process like the Trust employs. We don't do it to be hard or to be mean or to try to find weak spots.

Steve Moore: Or to have them jump through hoops or anything like that.

Dana Miller: Exactly. Yeah. It sometimes feels that way to organizations, and I fully understand that, and we try to be sensitive to that. But what we're really trying to do is understand, at the end of the day, have they considered [00:16:00] and thought about all the dynamics that come into play when you add a new staff member, when you expand a building? You know, you can't take it for granted because it's just so easy to think, "Well, that's just natural to understand that we need more staff. We need more help, and we can do so much more." But how does it actually relate to the program, and how will it make you better?

So our questions [00:16:30] are designed not so much for our understanding. Of course, we're learning about the organization along the way, but we really want to understand the depth of thinking of the organization itself and how well they've thought about the connection points between the impact that they might have through their work and this new proposed staff person or this new expansion of their building and all the related dynamics, [00:17:00] the cost, and the opportunity that comes with that.

Steve Moore: Yeah, because we're working for their success. We want them to succeed. So we're providing this pause point to stop and think and reflect simply to say, "Make sure that you have fully understood the implications of this as you move forward." Dana, have you seen places where metrics and imposed metrics, say, [00:17:30] by an outside individual or a funder or some other group, has actually hurt an organization or wasted resources?

Dana Miller: Well, yeah. It's not hard. Well, first of all, you have to recognize that when funders do that, their intentions are good. They really are trying to just be good stewards of the resources that they have, and they want the nonprofits [00:18:00] to do likewise. But it oftentimes causes that nonprofit to do things, to spend time, to spend a lot of money on things that provide metrics and certain kind of results, if you will, but it doesn't always relate to their mission.

It really helps the funder be able to make [00:18:30] his or her report look good at the end of the day or at the end of the year and say, "The work that we've done has resulted in this at this organization and that organization and cumulatively as a whole." That's great, but it oftentimes places a burden on them to do things that takes them out of their area of expertise or comfort area, per se. So it can be very harmful to them. We do see organizations spending too [00:19:00] much time sometimes measuring components that aren't necessarily helpful to them.

Steve Moore: That's why we often say to organizations, "Tell us what success looks like for you and how you would know that you have accomplished that." Are there things that come to your mind, site visits or visits with a nonprofit, where you've seen an organization be very creative or thoughtful [00:19:30] in their assessment and not necessarily were using metrics or used metrics in combination with something else?

Sometimes colleges or universities talk about the number of graduates. That's a metric. But then when an organization says, "Where are our graduates 10 years after graduation?" That becomes more of an assessment. They say, "Did we help these people launch into success?" [00:20:00] Say, at a food bank or in a homeless shelter, we had 10,000 meals and 5,000 bed nights, but the mission is to move people out of homelessness. Where are those kinds of ways of assessing?

Dana Miller: The homelessness one is a terrific example because it's great when organizations who are serving the [00:20:30] homeless can say to us, "Last week, last month, last year, we provided X number of meals to X number of people." That's meaningful and not to be diminished at all just because the fact that they look at the count. But what we really want to understand beyond that, besides their ability to provide a basic human need of a meal, are they also [00:21:00] able to connect with them relationally in a way that then could lead them either directly or indirectly to other resources or maybe to the homeless-serving organizations' resources themselves to help them move to a next level of independence? Where are they at that in the process?

That's the piece that sometimes gets overlooked because we're so focused on this, [00:21:30] lately, really dramatically growing number of people that come to their doors every day.

Steve Moore: Yeah. I can think of many times in social services, we talk about wraparound services and their network of relationships in the community. Are they connected or are they isolated in that kind of a way? Even in the arts sector, we've seen Michael Kaiser, who recommends [00:22:00] that organizations help one another succeed because it helps the entire ecosystem of arts and culture to really elevate.

Dana Miller: Right. That's a sector that is, frankly, very hard to measure. How do you assess the impact of a performance and of literature on a person's being, in their soul, their quality of life, and then what they bring back to their family and [00:22:30] to their community and to their workplace? Those are really, really hard measurements to get at for organizations.

Another one that I thought of is sometimes between metrics and real important outcomes is in the microenterprise lending space. It's really important to look at how many loans have been granted and the level of the default rate that

[00:23:00] exists there and some of those kind of things, which does describe an organization's work.

But at the end of the day, how many of the people that go through their program are equipped to be able to lead or develop their own organization to be entrepreneurs and to do it not just in the first year, but in the fifth year or the seventh year or the 10th year? Those are harder numbers to get at and harder stories [00:23:30] to tell. But those are the ones that, in many ways, are more compelling than just the simple, how many loans did you make last year? So that's another example of where measuring the right components really helps tell the story of the organization's impact.

Steve Moore: And if you don't have something to go along with the numbers, then you may miss a very important part. That may require someone doing interviews, or it may require focus groups, or it may require a number of other ways [00:24:00] of assessing the work.

Dana Miller: Yeah, yeah. That qualitative aspect is really important to a lot of organizations who serve people and can't always tell without doing massive five-, 10-, 20-year kind of studies, which they can't afford, frankly, in most cases, in terms of their long-term impact.

Steve Moore: Yeah. Even we've seen in the business world [00:24:30] in the last 15 to 20 years more conversation around the triple bottom line, not just focused on profits, but focused on assessing the way in which they impact the people and the way that they impact the place as well as profits and that that's an assessment because, ultimately, it has impact on the long-term success of the organization. Are there resources or [00:25:00] places that people could go to find good thinking or some guidance on assessment?

Dana Miller: Yeah. It's a great question. Well, there's a lot of learning to be gained on our website, which isn't the final word on assessment, but there is certainly a, we call it, a talking point. It's kind of a mini whitepaper, if you will, on at least how we think about assessment and a number [00:25:30] of other issues that I know your podcast is covering. There's also other literature out there that does talk about assessment.

I would just encourage any seeker of information on assessment to make sure that they're getting kind of a holistic view of assessment. It's not just about certain prescribed metrics or numbers, but it does look more holistic at [00:26:00] the outcomes that they might be working on and includes qualitative reflections as well.

Steve Moore: Dana, in our own assessment of grant applications, people are often surprised that we put the categories and a lot of the questions we're going to ask right up on our website. It's available for anyone that is seeking to apply for a grant.

Would you just remind people what some of those [00:26:30] key areas are that we'll be assessing and looking at?

Dana Miller: Sure. Happy to do that. As you said earlier, we're interested in their success and we're trying to equip them by making sure that they think well about a given project and that they obtain a certain readiness before they come to us because we don't just hand out cash. We really do invest in organizations [00:27:00] who are doing great work, but they're doing it in a really measured, responsible, well-crafted way to ensure that they are successful because—

Steve Moore: And that they can sustain it.

Dana Miller: Yeah. Because the last thing we want to do is make a grant that hurts them or that they can't afford after our initial funds run out. That would be irresponsible of us. That's oftentimes, when we have to say no, that's [00:27:30] the reason is they haven't really developed a good thoughtful plan for that. So the areas that I think most people will find on our website pretty readily include, certainly, leadership. That's the executive leadership of the organization as well as the board. Both very critical elements that help shape and define the organization's ability to thrive over the course of a long period of time.

[00:28:00] We have one on finances of an organization, and it's maybe focused a little bit more toward medium to smaller-sized organizations. But the concepts that are there are true for all sized organizations, just in terms of the way in which they might approach their financial management. We have one that's relatively specific because so many of the organizations in [00:28:30] the nonprofit world rely on either a portion—or their entire budget is based upon contributed or gift income. So we have one that is based upon fund development, fundraising, securing resources.

That is a really important, basic outline of what it takes for people to grow and develop their fundraising [00:29:00] effort, particularly those who have never had it or are relatively new to the idea. There's certainly one then on innovation. Jack Murdock was an entrepreneur, an innovator, and one who believed that a lot of our challenges and our problems as a society could be solved with great, innovative thinking. So we have that same mentality, which is why we listen, or try to listen well, to organizations.

Steve Moore: That [00:29:30] would be true of a mature organization as well as a new organization, to be doing innovation within the organization as well as outside of.

Dana Miller: Yeah. And then, of course, this one on the topic that we're talking about today, assessment, is another one. There might be a couple others. We're always thinking about new ways to help organizations. But those documents provide some insights into how we think and therefore how we're going to go about



[00:30:00] our conversation, our evaluation, if you will, of organizations' readiness to receive a Murdock investment.

Steve Moore: So earlier, I asked a couple of our program directors when they go on a site visit, and you do a lot of site visits, you've done hundreds of them—when you go into a site visit, what are one or two questions a group could just expect that you're going to ask early on?

Dana Miller: Yeah, yeah. Great one. Well, [00:30:30] I love to hear their story about how they came to the organization. In the room at our site visits, we typically have the head of the organization, the executive director or president, and at least one board member and then other key leadership members. So I almost always begin fairly early on in the site visit by asking them [00:31:00] what attracted them to the mission of the organization and what keeps them there working so diligently for the organization. So that's one question that I just love to hear their answers and understand exactly what motivates them, basically, why they're sitting around the table of this organization working so hard to see to its success.

Steve Moore: We love to say that our fruit [00:31:30] grows on other people's trees, that, in a sense, when they're successful, we're successful because our mission is to help them succeed. Are there things that you're seeing in organizations that are really, in a sense, beginning to hit on all cylinders, that you'd say, "They're beginning to get this important principle of ..." What would that be?

Dana Miller: Yeah, yeah. [00:32:00] Well, each organization has its own story and is at a different stage of development or evolution and maturity. So there are components of that, which does really depend upon where they're at. It's a very different piece for an organization who's three or four or five years in from one who's 20 or 30 years in and everything in between.

Well, [00:32:30] one of the things that I love to see and discover about an organization is really this very thing that we talked about a little earlier, Steve. That is when there's real evidence that they're a learning organization, that they have taken the time to really think well about this project that they're [00:33:00] in front of the Trust for, asking for support and that they're not just there because the Trust makes grants to nonprofits and so why not ask them? Why shouldn't they give to us?

There is a real distinction when you see an organization who is so thoughtful about what they're doing. They might have relatively sophisticated strategic plans or documents, or they might be still just operating without [00:33:30] that. But it doesn't really matter. The question is, have they taken the time? Have they looked around the corner of what's ahead to know whether or not this is the right thing for them at the right time and whether they have put in place a process, plans in this particular case, to be able to be successful?

[00:34:00] There's no guarantee that when an organization has a plan, they're going to be successful. But at least they know what is ahead. And then they can more readily adapt to those bumps and potholes and fallen trees and stuff that come their way if they have a plan. If they just say, "We're going to figure it out as we go," which, unfortunately, is something we hear too much, then it says they really haven't [00:34:30] matured to a point where they know that this is going to be a hard road, regardless of whether they have experience and knowledge in this area or not. So that's one of the things I love to see.

Steve Moore: Yeah. That's great. I've heard you say that even if they have parts of it that fail or don't work like they intended, the fact that they're learning from it and that they're adapting and changing and doing, in a sense, midcourse corrections [00:35:00] to really have that learning come back into the way they execute is just really a great thing to see. We love to hear organizations talk about the ways they learn from prior failures or mistakes or misreading of what might be ahead. So we don't expect organizations or their leaders to be perfect. We just expect them to be learning and growing just like we are and like we hope every organization is doing.

Dana Miller: Yeah, that's exactly right. [00:35:30] Yeah. There's nothing that gives us more confidence to make a grant, even one that has some, what we consider to be significant risk to it, if we know that they're an organization that is a learning organization, that has an adaptive mindset to their work and has the kind of wherewithal, the maturity, if you will, to be able to navigate it as the project unfolds.

Steve Moore: Anything [00:36:00] else you want to be sure and get in on this one before we exit?

Dana Miller: I think we've covered the waterfront pretty well today.

Steve Moore: That's good.

Dana Miller: There's a lot there. I just want to always thank the organizations for their willingness to be on-the-ground deliverers of services and programs and opportunities because it's so important. We can play a role [00:36:30] in helping them do that, but they're positioned to do that. We love it when we can play a small part in their success.

Colby Reade: And that wraps up this episode of the M.J. Murdock Charitable Trust Podcast. For more information on writing great grants, as well as resources on fundraising, board development, leadership, team management, and a variety of other topics in the nonprofit space, please visit our website [murdocktrust.org](http://murdocktrust.org). This [00:37:00] episode of the M.J. Murdock Charitable Trust Podcast was recorded at the Luis Palau Association Studios in Beaverton, Oregon. Episode produced by Colby Reade with sound engineering by Doug

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