



# **Essex County Community Foundation** and the Case for Systems Philanthropy

## **SUMMARY:**

This position paper describes Essex County Community Foundation's (ECCF) application of "systems philanthropy," a collaborative, cross-sector approach to deploying philanthropic resources to address root causes of systemic social issues throughout the county. This document defines ECCF's vision of systems philanthropy and offers insights and model implementation strategies for organizations seeking to provide lasting change for the greater good.

# Essex County Community Foundation

## and the Case for Systems Philanthropy

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# Essex County Community Foundation and the Case for Systems Philanthropy

## EXECUTIVE SUMMARY

### THE OPPORTUNITY

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Since 1998, ECCF and its family of charitable funds have awarded more than \$85 million in grants to nonprofit organizations, delivering critical operating, program and capital funding. This traditional approach to philanthropy has supported a wide range of positive outcomes throughout the communities of Essex County.

In recent years the Foundation has witnessed, through its research of alternative giving models, how a systems-focused, collaborative approach to funding can complement the responsive efforts of its fundholders and deliver a greater impact to its communities. By investing in systems work through its discretionary funding, ECCF has embarked on a new approach to philanthropy - a systems philanthropy approach.

ECCF's systems philanthropy strategy is now at the core of its community leadership efforts to address the root causes of Essex County's biggest challenges and create lasting, population-level change.

### SYSTEMS PHILANTHROPY AS DEFINED BY ECCF:

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ECCF defines its systems philanthropy approach as:

**Attracting and deploying philanthropic monies to amplify community-based, collaborative initiatives tackling the root causes of systemic social issues and challenges, resulting in population-level impact.**

Creating the opportunity for this approach to thrive across the philanthropic sector is the rise of three mutually reinforcing and interconnected trends:

- Collective Impact;
- New Philanthropic Funding Models; and
- The increasing leadership role assumed by community foundations.

These trends helped to inspire ECCF's intentional shift towards systems philanthropy and influenced its unique approach, which is grounded by the three major components below. It is:

- **DATA DRIVEN** - [Impactessexcounty.org](http://Impactessexcounty.org), an online platform mapping 100+ indicators tracking quality of life across the region provides the data and analysis guiding the work.
- **COMMUNITY-ALIGNED** - The voice of the community is embraced through strategic convening and collaborating to identify and amplify good work already happening.
- **ENGAGED** - ECCF is an engaged partner in the work, providing ongoing strategic support and greater financial resources to support long-term goals and deliver lasting outcomes.

# Essex County Community Foundation and the Case for Systems Philanthropy

## EXECUTIVE SUMMARY

### ECCF'S SYSTEMS PHILANTHROPY APPROACH



## APPLICATIONS OF THE WORK

In the last three years, ECCF has applied the systems philanthropy model to its Creative County, Empowering Economic Opportunity and Merrimack Valley Business Relief community leadership initiatives. Although diverse in mission and scope, each employs the components noted above to identify root causes of systemic issues and create shared strategy for long-term change. While the learning continues, the early success of each initiative illustrates the value and power of the new approach – which is endorsed by the Foundation's \$13.5 million investment in the work over the next five years.

To learn more about ECCF's community leadership initiatives, visit [eccf.org](http://eccf.org).

## KEY LEARNINGS, INSIGHTS & PRACTICES

Through its work, ECCF has established important insights and practices to share with communities and organizations seeking to apply a systems philanthropy approach to social change. We have learned that:

- **Establishing Trusting Relationships** is critical to productive collaborations and creating common goals to solve large societal problems.
- **Responding with Agility** allows all players within a system change effort to quickly learn, grow and adapt based on evaluated outcomes and processes.
- **Mapping Processes** is helpful to understanding the dynamics of highly complex social systems yet must remain iterative to be beneficial as learnings and relationships evolve.
- **Acting Like a System, Looking Like a Program** builds early confidence within an effort by breaking large systems into tangible sub-systems where collective work can be more easily accomplished and lead to greater success.
- **Measuring Outcomes** shows the value of the work to stakeholders and empowers all involved to tackle other challenges using a similar approach. This is an ongoing area of learning.

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### EXECUTIVE SUMMARY

#### CONTINUING THE JOURNEY

As ECCF infuses the systems philanthropy model through its work, the Foundation is continuously learning, shaping and sharing insights throughout the journey. ECCF is encouraged to see how this method can increase overall charitable impact and the quality of life for its communities.

To read the full position paper and learn more about ECCF's Systems Philanthropy approach to social change, visit [eccf.org](http://eccf.org).

To get involved, contact Stratton Lloyd, ECCF COO and VP for Community Leadership, at [s.lloyd@eccf.org](mailto:s.lloyd@eccf.org) or 978-777-8876 x126.

*“We want this approach to be collaborative and sustainable. And we wanted anyone and everyone who shares this interest in creating population-level change—funders, nonprofits, community leaders, ECCF friends, fundholders and supporters, and those we strive to serve—to engage with us and join us on our evolving journey to seek systemic solutions to help all in our county.”*

**Beth Francis**  
President & CEO  
Essex County Community Foundation

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## INTRODUCTION

Imagine you are one of 400 people gathered in the historic Cabot Theatre in downtown Beverly, Massachusetts, for the 2019 Essex County Arts & Culture Summit, hosted by Essex County Community Foundation (ECCF).

Among the early morning arrivals, the excitement is palpable. There are bankers and investment fund managers. There are city planners, mayors, city councilors and selectmen. There are poets and dancers, musicians and painters. There are introductions and handshakes, high-fives and hugs.

You can feel the collective energy generated by all facets of the arts and culture ecosystem represented in the room. You can see connections and collaborations being formed. You can imagine the transformative impact these players can achieve when united by a shared vision and goals.

Sounds exciting right?

*If you had been in attendance, you would have witnessed firsthand the power and potential of a system working together. You would have witnessed systems philanthropy taking shape.*

*“It’s all about working together across disciplines, engaging the power of creativity and bringing ideas forward to elevate the entire community. Who wouldn’t be excited about all the potential outcomes that this could produce?”*

**Crystal Bates**  
Director of Development and Communications  
Essex County Community Foundation

# Essex County Community Foundation and the Case for Systems Philanthropy

## IDENTIFYING THE NEED FOR A SYSTEMS SHIFT

Throughout its 22-year history, ECCF has remained steadfast in its focus on improving the quality of life for the 785,000 people who live, work and raise families in Essex County's 34 cities and towns. ECCF has had a direct, positive effect on most of the community's 1,266 nonprofit organizations — through traditional grantmaking and capacity-building practices. Since 1998, ECCF and its growing family of over 230 charitable funds have awarded more than \$85 million in grants, resulting in a wide range of positive outcomes for local nonprofit organizations and, most importantly, the people they serve.

In recent years, however, ECCF has identified additional, transformative opportunities for impact that could be realized by adopting a systems philanthropy approach to grantmaking. We have seen first-hand how funders, nonprofits and social entrepreneurs working with an organizational or program-focused lens deliver outcomes and grow, yet fail to reach full potential simply because traditional philanthropy tends to be prescriptive and limits collaboration and synergy.

“Traditional funding from donor-advised funds and field-of-interest funds at ECCF plays a critically important role in meeting the acute needs of our communities,” said Beth Francis, President and CEO at ECCF. “ECCF’s systems approach complements these responsive efforts by investing in and partnering with key recipient organizations to identify root causes of systemic issues and to create a shared strategy to deliver long-term change.”

This system-focused, collaborative approach to complex social-sector problem-solving, while not novel, is pioneering within the traditional structure of community foundations.

ECCF's systems philanthropy is now at the core of its community leadership efforts to address the root causes of Essex County's biggest challenges and create lasting population-level change. This also marks an intentional strategic shift for the organization, inspired by successful business models, changes in broad philanthropic approaches, as well as trends specific to the evolving role of community foundations across the country. The most influential trends include systems thinking, focus on collective outcomes, new funding models for engaged donors, and the need for community foundations to act as inclusive facilitators and leaders among the constituents they serve.

*“It’s one of the perennial questions facing the nonprofit world: Why, despite the [philanthropic] sector’s collective resources and best efforts, do so many social problems remain so persistent.”*

**Jeffery C. Walker**

“Solving the World’s Biggest Problems: Better Philanthropy Through Systems Change,”  
Stanford Social Innovation Review, April 5, 2017

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### DRIVING RESULTS WITH SYSTEMS THINKING

Creating the opportunity for systems philanthropy is the rise of three mutually reinforcing and interconnected trends:

- Collective Impact;
- New Philanthropic Funding Models; and
- The increasing leadership role assumed by community foundations.

Each of these is expanded on below.

#### » LASTING SOCIAL CHANGE REQUIRES A COLLABORATIVE APPROACH

Collaboration is hard, especially in a county comprising a diverse array of 34 distinct municipalities. And yet each city and every town within Essex County shares challenges and depends greatly on its neighbors. Among residents, businesses and elected officials, ECCF's leadership team perceives a deeper thirst to work together across municipal boundaries and a clear acknowledgment that in doing so, each participant becomes stronger and more capable of large-scale change.

Whether it be climate change, transportation, education or workforce development, there is an increased awareness of the interconnected nature of the human condition and of the need to work together in this complex, multi-layered system. This realization has been buoyed by the emergence of "collective impact" as a successful tool for social change. This concept, introduced in the 2011 article "Collective Impact," by John Kania and Mark Kramer and published in the journal *Stanford Social Innovation Review*, crystallizes the idea that large-scale systemic change requires deep cross-sector collaboration and shared focus on a common goal. In this article, Kania and Kramer reviewed the work of several nonprofit entities making great strides toward solving systemic problems within the public education sector. Where previous decades of reform efforts had failed, Kania and Kramer observed that these organizations' successes were due principally to "a core group of community leaders [who] decided to abandon their individual agendas in favor of a collective approach."

In studying the work of these innovative programs, the paper's authors highlight five conditions necessary for the success of a "collective impact" approach (listed below). The five conditions are important philosophical inputs to ECCF's systems approach.

1. **A common agenda:** All participants in the effort need to have a shared vision for change.
2. **Shared measurement systems:** Agreement on the ways success will be measured and reported is critical to benchmarking and learning from results.
3. **Mutually reinforcing activities:** All participants need to understand how their organization fits into the overarching vision for success.
4. **Continuous communication:** A shared understanding of goals, definition of community, and common language are essential to keep the dialogue and exchange of ideas flowing.
5. **Backbone support organizations:** Community foundations are uniquely positioned to serve as a "backbone," supporting collaborative efforts by being connected to the grassroots community they serve.

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### » NEW PHILANTHROPIC FUNDING MODELS OPTIMIZE OUTCOMES

In addition to the rise of collaboration, new philanthropic models complementing the systems philanthropy approach have flourished in recent years, models built on private and traditional capital investment practices in the business sector to improve outcomes and attract new investors/donors and forms of capital. These models - including venture philanthropy, impact (social) investing, program-related investments (PRI), and social-financing based on pay-for-performance - represent new vehicles for philanthropists to drive results related to their giving.

These investment models have several key features for philanthropic entities to consider, such as:

- Staged investment and milestone development;
- Multi-year investment horizons;
- Larger grant sizes; and
- Non-monetary, value-added assistance with the funders acting as strategic partners to the grant recipient organizations.

As in the case of traditional philanthropy (e.g., operational or programmatic funding), these innovative grants are purely philanthropic and do not include an explicit financial return to the donor. However, these more engaged practices are designed to foster longer-term horizons, a growth-oriented mindset, and deeper engagement from the funders; all critical elements in successful systems work.

### » COMMUNITY FOUNDATIONS ARE PRIMED (AND NEED) TO LEAD

Community foundations, such as ECCF, represent a global phenomenon, with more than 1,700 such foundations around the world (700 of them here in the United States). While some of these organizations are quite large, the majority are small, regional organizations with limited discretionary funding and resources. Furthermore, the transactional competition from low-cost/high-volume commercial providers of generic donor-advised funds have challenged community foundations to play a larger community leadership role and provide additional value to the donors and collaborators with whom they work. They do this through local convening, providing relevant thought leadership and making deep connections in all sectors of the communities they serve. The results are that community foundations elevate giving in all its forms.

For community foundations to be relevant they need to serve not only as a vessel for philanthropic financial exchanges, but as actual community leaders, conveners and coordinators across donors and social service organizations.

#### **Most community foundations are poised to lead, armed with key assets such as:**

- Well-developed knowledge of local community needs;
- Long-standing, deep and broad relationships with municipalities, nonprofits, businesses and philanthropic funding leaders;
- Problem-solving capabilities through facilitated collaboration;
- Fiscal and fiduciary credibility, scale and capacity; and
- Neutrality and objectivity.

# Essex County Community Foundation and the Case for Systems Philanthropy

Community foundations, with their unique regional focus, can identify pockets of programmatic success within their service areas and bring those successes forward to solve problems in other cities and towns. In Massachusetts, community foundations often serve as a bridge between municipalities where no official countywide government exists.

The systems approach aligns with the mission, organizational attributes, and capacity of many community foundations. It also offers a solution to move from a philosophy of competitive independence among organizations to one of coordinated outcomes. Building on these trends, ECCF has shaped its own version of systems philanthropy (described below) to work alongside its more traditional philanthropic efforts.

*“We feel it is vital to our role as a community foundation, charged with improving the quality of life in our service area, to be a part of something bigger, something new and bold that will yield a measurably better quality of life for those we serve.”*

Stratton Lloyd  
COO and VP for Community Leadership  
Essex County Community Foundation

## ADAPTING SYSTEMS PHILANTHROPY AT ECCF

Systems Philanthropy as defined by ECCF:

**Attracting and deploying philanthropic monies to amplify community-based, collaborative initiatives tackling the root causes of systemic social issues and challenges, resulting in population-level impact.**

ECCF’s systems philanthropy aims to be driven by data and not only defined by, but also engaged with, the communities it serves, as illustrated in the figure below.

### ECCF’S SYSTEMS PHILANTHROPY APPROACH



# Essex County Community Foundation and the Case for Systems Philanthropy

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## DATA DRIVEN:

In early 2016, ECCF launched [impactessexcounty.org](http://impactessexcounty.org), an online public platform sharing comprehensive data mapping more than 100 health and well-being indicators in Essex County. The results provided insight into the region's strengths and challenges, measuring the quality of life in the county in quantitative terms for the first time.

The data from this effort, as well as other ongoing quantitative and qualitative input, represent the foundational analytics that continuously guide ECCF's work, and are core components of the Foundation's data-driven approach to systems philanthropy.

## COMMUNITY-ALIGNED:

Second, systems philanthropy work requires convening and collaborating: gathering a variety of experts, organizations and investing individuals to share and incubate ideas, offer insights into creative solutions and to assemble additional data and research on pressing concerns. This embraces the voice of the community. Those seeking to effect change, as Jeffery C. Walker says in his article "Solving the World's Biggest Problems: Better Philanthropy Through Systems Change," in the April 5, 2017, Stanford Social Innovation Review, can leverage community cohesion by identifying those already working on big problems and helping them to "join forces to achieve common goals." ECCF's systems model explicitly seeks to identify good work happening and amplify this work through strategic partnership and resources. With this approach, ideas are driven from the community and the philanthropist is able to build off existing good work rather than reinventing the wheel or creating new programs.

## ENGAGED:

And third, a systems philanthropy approach is engaged and sustainable. That means the community foundation needs to serve as a true partner in the venture, not only providing greater, more sustainable financial resources over multi-year projects for long-term goals which, in the end, deliver lasting outcomes, but also participating in the strategy development, critical assessment, and ongoing evolution of the project.

In comments during the recent Arts & Culture Summit, Karen Ristuben, ECCF's Creative County Initiative Program Director, observed that ECCF believes its work is "... about systems, so that not only the arts and culture [of the community] thrive, but more importantly so communities [themselves] can thrive." This work, she added, "... is rooted in systems that make it possible, like an irrigation system that nourishes our community and helps to make things grow."

*"To be successful, all players across a system have to own the challenge and the work. And ECCF is all in. We feel a deep sense of accountability and co-ownership in these efforts, and that is reflected in our funding and our engagement as true partners in the work."*

Jon Payson  
Board Chair  
Essex County Community Foundation

# Essex County Community Foundation and the Case for Systems Philanthropy

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Systems change means to “fundamentally, and on a large scale, change the way a majority of relevant players solve a big social challenge, such that a critical mass of people affected by that problem substantially benefit.” Katherine Milligan and Nicole Schwab argue this in a March 17, 2017 article titled “The Inner Path to Become a Systems Entrepreneur,” published by the Skoll Foundation. It is an approach, they write, that requires “leaders who can build movements, and successfully engage all the stakeholders affected by an issue towards collaborative action.”

## IDEA TO ACTION:

ECCF’s leadership is continuing and deepening its work by focusing this year on the following three systems-based efforts:

### **CREATIVE COUNTY INITIATIVE (CCI)**

Aided by funding and expertise from the Barr Foundation, this \$2 million, multi-year effort invests in art, culture, design and creative enterprise. The goal is to build a countywide ecosystem that is sustainable, equitable and accessible to all, with particular investments in capacity building, cultural planning, education and awareness, cross-sector relationships and demonstrable collaborative grants. This systems-based focus enables the creative community to thrive as it transforms lives, fosters community pride, improves neighborhoods, and ultimately provides economic opportunity and empowerment for the citizens it serves.

### **EMPOWERING ECONOMIC OPPORTUNITY (EEO)**

In Essex County, nearly 300,000 people—38% of all residents—earn below the living wage, making it difficult to afford life’s necessities. A family of four earning less than \$79,000 a year falls below the living wage. This three-year (2019-2021), \$1.3 million commitment by ECCF includes investments in collaborative systems solutions that provide the knowledge, tools, and opportunities to make economic inclusion and financial well-being possible for the most vulnerable in Essex County.

### **MERRIMACK VALLEY BUSINESS RELIEF**

On Sept. 13, 2018, a gas line over-pressurization destroyed homes and shut down gas service along almost 48 miles of pipeline in Andover, North Andover and Lawrence. Nearly 850 businesses were forced to close and hundreds more suffered indirect effects of the crisis, resulting in thousands of job losses and total disruption to the business community. Responding to the crisis, ECCF’s Merrimack Valley Business Relief initiative supported the immediate needs of affected businesses directly and, with \$10 million from Columbia Gas and a strong coalition of nonprofit and government partners, is now making long-term investments in the regional business ecosystem with a multi-faceted approach to improve business resiliency, restore disrupted businesses, and drive sound, intentional economic growth in the region.

# Essex County Community Foundation and the Case for Systems Philanthropy

## CASE STUDY: The Creative County Initiative and CuriousCity

A small parade of dignitaries and volunteers from the City of Peabody, Massachusetts filed onto The Cabot stage during the 2019 Essex County Arts & Culture Summit. They sat down to tell the story of CuriousCity, a temporary pop-up children's museum that featured nine exhibits designed for children ages 2-10.

As one of 12 Creative County Initiative collaborative grants funded by ECCF, planned and resourced in 2018 and launched in 2019, its story illustrates ECCF's systems philanthropy approach and guiding principles.

When various Peabody leaders first learned of ECCF's Creative County grants, they focused on how their individual program priorities might fit within the grant prospectus. ECCF's funding prioritization on projects with a collaborative agenda, however, brought municipal and nonprofit groups such as the Peabody Cultural Collaborative, City of Peabody, Peabody Historical Society and Museum, Northeast Arc, Peabody Main Streets and Eastern Bank together.

"Each organization had its own idea of what to apply for in terms of [ECCF] grants," Historical Society Director Nora Bigelow said during her remarks that day. But when these groups convened and examined their collective priorities and strengths, they converged on a common goal and project in CuriousCity that bore beneficial results for all.

Once underway, CuriousCity was focused on outcomes. It vigorously tracked its visitors by issuing a brief online survey, identifying more than 6,700 visitors from 122 different communities, 22 different states, and from as far away as Australia. In terms of economic reach, those visitors stopped for coffee, dinner or shopping within the city's downtown area. Sales increased at nearly all the local area businesses, according to Curt Bellavance, planning and community development manager for the city of Peabody.

### PEABODY CULTURAL COLLABORATIVE

MAYOR TED BETTENCOURT

City of Peabody

CAMILLE BARTLETT

Executive Director, Peabody TV

CURT BELLAVANCE

Planning & Community Development, City of Peabody

TIM BROWN

Director of Innovation & Strategy, Northeast Arc

SUSAN DODGE

Director ArcWorks Community Art Center

DEANNE HEALEY

Peabody Main Streets & Salem 5 Bank

MARTHA HOLDEN

Director of Community Engagement, Holden Oil

ANDREW LEVIN

City Planner, City of Peabody

MELISSA ROBINSON

Library Director, Peabody Institute Library

MARK WHITING

Manager, North Shore Mall

# Essex County Community Foundation and the Case for Systems Philanthropy

## CASE STUDY: The Creative County Initiative and CuriousCity

Armed with prototype success and robust data, the contributing nonprofit organizations were able to make the case to municipal planners that a permanent structure in the city of Peabody was needed not only for the cultural outreach it provided, but also for the socio-economic outcomes such an investment procures. During the Arts & Cultural Summit, Peabody Mayor Ted Bettencourt made a commitment to the audience that his administration would work toward the development of a such a structure in the city.

The CuriousCity stakeholders planned mutually reinforcing activities in the construction of the museum's exhibits to support local history, culture and business. They drew on expertise from Essex Agricultural Society and George Peabody House and Leather Workers Museum. It incorporated the city library's "pass program" to help spread the word and co-marketed and co-branded activities with collaborative entities.

Furthermore, the supporting organizations employed a multi-faceted social media strategy whereby each group cross-posted photos and events that led to greater engagement with the museum and improved cohesion. This social media strategy also illustrates the pop-up's success in providing continuous communication avenues and feedback related to ongoing activities to foster further engagement. Not only did the CuriousCity group consistently inform each other about events and activities, but also about the key performance measures such as visitor traffic and economic outcomes.

Throughout the experiment, ECCF offered financial support through its initial grant, helped the group as a thought partner to remove obstacles such as additional funding needs, and served as a backbone of organizational program support for the pop-up.

"CuriousCity is a perfect example of how we can all rise together," said Stratton Lloyd, ECCF's chief operating officer and vice president for community leadership.

*"Each organization had its own idea of what to apply for in terms of [ECCF] grants. But when these groups convened and examined their collective priorities and strengths, they converged on a common goal and project in CuriousCity that bore beneficial results for all."*

Nora Bigelow  
Director, Peabody Historical Society

# Essex County Community Foundation and the Case for Systems Philanthropy

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## LEARNINGS & APPLYING GLOBAL PRACTICES ON THE LOCAL LEVEL

### » ESTABLISHING TRUSTING RELATIONSHIPS

All systems work starts with establishing trust and building relationships that can ultimately lead to productive collaborations that solve large community and societal problems.

Google Head of Industry Paul Santagata's two-year study on team performance found that "the highest-performing teams have one thing in common: psychological safety, the belief that you won't be punished when you make a mistake," Laura Delizonna writes in the August 2017 article "High-Performing Teams Need Psychological Safety. Here's How to Create It," published in the Harvard Business Review.

Psychological safety and trust come from working side by side and accomplishing goals together. They come from patiently honing relationships built on empathy, compassion and teamwork. Trust must be intentionally cultivated and fostered with activities that ensure open communication, empathy and patience. Building trust takes time.

An individual faced with choosing either a systems path to address a problem's root cause or simply meet a pre-determined goal set by their organization will likely choose the objective that most directly affects his or her own professional success and well-being.

In systems philanthropy, however, individual and organizational goals begin to more closely align with community goals. Mutually agreed-upon goals and data collection on key performance indicators related to those goals enable individuals to trust in the collaborative. Ongoing communication of the data and progress toward those defined goals allow the team to remain engaged, share their knowledge and experience, and pivot to respond to problems when they arise.

### » RESPONDING WITH AGILITY

Many start-up or complex philanthropic endeavors require organizational agility. Because systems work is particularly messy and quite often the solutions are less clear, the systems philanthropy approach has a particularly strong bias towards learning fast through experimentation and engaging the customer in decision making early in the process through prototyping. An agile approach for complex systems work ensures that collaboratives get new products, services and solutions into customers' hands faster. When failures occur with these solutions, systems entrepreneurs receive that feedback quickly, allowing the system to communicate, learn and adapt before changes become costly.

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ECCF is creating processes that allow for agile collective learning and recalibration on multiple levels. ECCF staff meet regularly with both the collaborative operational and leadership teams to monitor tactical, as well as strategic, challenges and decisions. Key performance indicators are set for every project to provide a data-driven approach to tracking and refining systems change efforts. Furthermore, ECCF engages with community leaders at nonprofit, government and for-profit partners to ensure current efforts are on track and to identify potential improvements. Finally, the ECCF board and ECCF's cross-sector County Leadership Council hold quarterly meetings to leverage a variety of expert perspectives from throughout the county to address specific opportunities and challenges as they arise.

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**Simply stated, this model allows for rapid learning cycles providing organizations and collaboratives the ability to learn and adjust and thereby provide enhanced solutions faster. Clearly, when a new solution is being shared in the community, with a bias for action, a counterbalance of respect, transparency and communication is required to ensure appropriate quality and sensitivity.**

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This type of agility and engagement allows the players to evaluate outcomes and processes, and then quickly grow and change from the experience.

## » MAPPING PROCESSES

Mapping systems is the art of literally documenting the flow of a process and all key interactions within it. This could include mapping the participants, roles and responsibilities, key activities, workflows, interactions and core values of the system. Robust mapping may be a rational approach when it comes to assembly line work or other linear technical process architecture. For systems philanthropy, however, it is quite often impossible to map out a clear step-by-step process across a highly complex multi-dimensional social system. This is especially difficult at the front end of an effort when most players have been previously siloed and are now just learning to look at the larger system.

A particularly helpful tool for understanding the dynamics of a system and breaking it into smaller parts where root causes can be more easily identified is the "Six Conditions of Systems Change." These six interdependent conditions, as defined by Kania, Kramer and Senge in "The Water of Systems Change," represent the explicit and the implicit conditional drivers of a system. These conditions include: Policies, Practices, Resource Flows, Relationships & Connections, Power Dynamics and Mental Models. As a first ideation step, simply building awareness and naming the specific conditions in your realm empower teams to better design solutions that honestly reflect what is holding a system back. This common knowledge and vernacular also work to build team trust.

ECCF's work thus far identified diminishing returns with "over-investment" in systems mapping early on, though mapping and embracing models like the Six Conditions is an important ongoing process step and reflection exercise. Although creating such maps helps with communication and visualization of how systems work, it needs to be an iterative, ongoing process. Otherwise, a singular focus on mapping can stall momentum and overwhelm participants new to multi-faceted, complicated social systems work. Ideally, this iterative approach includes the larger team and results in clear calls to action for process improvements.

# Essex County Community Foundation

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### » ACTING LIKE A SYSTEM, LOOKING LIKE A PROGRAM

Systems work is complex and quite often daunting due to the long-time horizon, resulting in fatigue and failure. Quite frequently, teams become overwhelmed in trying to understand the social system's complexity and give up.

Stakeholders working on the Merrimack Valley Business Relief effort had a mantra of “look like a program, but act like a system.” They identified smaller efforts within the system which seemed more like traditional program work, enabling teams to more quickly adapt to the effort and accomplish shared goals.

This was a lesson for ECCF in approaching systems work. We learned that success requires breaking larger systems into smaller and more tangible sub-systems first, then identifying work that can be done collectively, and finally building on those successes, one at a time, for greater project outcomes.

Trying to solve small business resiliency can be overwhelming, but working as a team to kick off an emergency loan fund represented a tangible goal for ECCF's Merrimack Valley Business Relief effort that could be easily accomplished and that built confidence in the collaborative to continue their work.

### » MEASURING OUTCOMES

“Then, of course, comes the question of how to measure success across complex multi-dimensional systems and how to identify diminishing returns,” says ECCF board member Christine Ortiz, scientist, engineer, professor and former dean at Massachusetts Institute of Technology.

Small wins can help show the value of the work to program stakeholders and help those involved feel a sense of pride in their efforts, keeping them energized to tackle other challenges using a similar approach.

The CuriousCity project in Peabody provided an immediate visual and tactile success story. Over time - and armed with goal-oriented data - the project also meant increased tourism and economic development for local businesses, and improved city infrastructure among other accomplishments that continue to ripple through the community and its residents.”

*“How can we measure not just outputs but larger outcomes? Many nonprofits are thinking about social capital as a population-level impact. We need to combine the quantitative with the narrative when reporting those outcomes and balance measuring growth, not just in terms of quantity, but in terms of the quality of the outcomes achieved.”*

**Christine Ortiz**  
Board Member  
Essex County Community Foundation

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Once a community foundation demonstrates that it can contribute to a systems-based approach - even a small system - the possibility for greater and deeper systems philanthropy work accelerates.

Those employing a systems philanthropy approach need to consistently ask, “Are we making people’s lives better?” says Ortiz.

“Ideally, one hopes that program and initiative outcomes can synergize into meta strategic outcomes,” she says. “To truly capture the success of systems philanthropy, organizations need to flesh out the inter-organizational and population-level outcomes.”

At ECCF, measuring and communicating systems work success represents an ongoing endeavor throughout its core systems initiatives. Learning, testing and improving in this realm are high priorities.

## A SYSTEMS PHILANTHROPY JOURNEY

Throughout its Systems Philanthropy journey ECCF is continuously learning, shaping and sharing gained insights - with great humility. To date, the work is yielding positive results, evidenced not only by the CuriousCity example included in this paper, but across all of ECCF’s Creative County, Empowering Economic Opportunity and Merrimack Valley Business Relief work.

*Additional information on these efforts can be found at [eccf.org/community-impact](http://eccf.org/community-impact).*

Through this work, ECCF has witnessed first-hand how funders, nonprofits, community leaders and social entrepreneurs - when incented and encouraged to work with a collaborative, root-cause lens - deliver enhanced outcomes and exceed their individual potential. The Foundation is encouraged to see how systems philanthropy can draw multiple sectors together and has observed how the collaboration, shared goals and strategic mindset can increase impact.

*“We want this approach to be collaborative and sustainable. And we wanted anyone and everyone who shares this interest in creating population-level change—funders, nonprofits, community leaders, ECCF friends, fundholders and supporters, and those we strive to serve—to engage with us, and join us on our evolving journey to seek systemic solutions to help all in our county.”*

**Beth Francis**  
President & CEO  
Essex County Community Foundation

# Essex County Community Foundation

## and the Case for Systems Philanthropy

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As a writing consultant for ECCF, Melissa played an important role in the shaping of this paper.