

**MEMORANDUM**

**To:** OSF Global Program Staff; Foundation and Advisory Board Chairs; Foundation Executive Directors

**From:** Daniel Sershen 

**Copies:** Chris Stone, Johanna Chao Kreilick, Sandra Dunsmore

**Date:** January 29<sup>th</sup>, 2015

**Subject:** Guidance for 2015 Portfolio Reviews (Version 3.0)

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This memo is a revision of the guidance we produced in January 2014 and reissued in April of the same year. Please see the e-mail accompanying this document for a summary of notable changes.

Portfolio reviews are at the center of OSF's evolving efforts to improve the performance of our own strategies and assess our results. This memo offers guidance to programs and foundations<sup>1</sup> as they conduct portfolio reviews in 2015 at the presidential, board, and staff level. Please note that we also have a quick-reference sheet that consolidates the essential information related to the process on one page; it is attached as an appendix and available [here](#). For those looking to go deeper, additional support materials are available [here](#) in the Resources section of our KARL community.

**Definitions and Links to the Strategy-Budget Cycle**

A *portfolio* is defined as a body of work (grants, advocacy, litigation, and other activity) that relates directly to a particular thematic priority, geographic context, or strategic method. *Portfolio reviews* marshal insight and analysis from colleagues, supervisors, boards, and OSF's president in a live meeting to look backward at that work in a constructively critical fashion. The group considers the results of past efforts, the part the program played in bringing them about, the role of context, and paths not taken. It finishes by considering possible adjustments to the nature or mix of portfolio elements. Along the way, colleagues make their work and thinking more visible to the network and learn from one another.

At OSF, we believe that an approach to results assessment that is centered more on meaningful reflection than on metrics, and more on our own performance than on our grantees' work, will result in greater impact and a real contribution to the field of philanthropy. Thus, a portfolio review is *not* a test. It is, rather, a chance to unpack and examine the results of our efforts to make change in the world and incorporate emergent thinking into our strategies. Programs will have the time and opportunity to make changes to their approach based on the outcomes of each review. Similarly, portfolio reviews are *not* proxies for staff performance appraisals. Nor are they intended to conclusively evaluate individual elements of programs' work, such as a single grant or budget allocation; any references to specific pieces of work are employed to illustrate a program's thinking and the broader trends in the portfolio.

Portfolio reviews happen at three different levels: with the president, with OSF advisory boards, and internally among program staff. Programs should begin the year or strategy period by categorizing

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<sup>1</sup> These guidelines do not currently apply to national and regional foundations. As the relationship between network offices and foundations evolves, however, some foundations may be asked to engage in the portfolio review process much like other programs. In any case, we hope that foundations will continue to experiment with the model and embrace the spirit of the portfolio review process even if their specific practices may differ.

portfolios by audience so that each portfolio will benefit from a discussion with the most suitable participants.

In 2014, we directed our collective attention at shaping the process of presidential reviews. In 2015, we hope to continue to refine that level of review while advancing our practice of less formal reviews among board and staff. In applying the same fundamental approach, all three levels of review can offer the same benefits; however, the less-intensive preparation and procedural requirements around staff- and board-level reviews (as defined by each program) will help many programs meet the president's expectation that all of a program's work be reviewed at least once, at one of the three levels, during a two-year period. The largest programs and foundations may also need to explore alternative ways to meet this expectation, such as handing over responsibility for some internal reviews to staff other than directors.

Staff have discretion to define the scope of a portfolio in different ways, in consultation with advisory boards and senior managers. We particularly hope that you will experiment with a variety of cross-cutting reviews this year – perhaps organized by sub-theme or program-level goal – so that we can learn more about how best to support them. See [here](#) for a blog post and graphic that describe different types of review.

The portfolio review process's role in improving program effectiveness closely links it to the strategy and budget cycle. Indeed, though we are encouraging other types of review this year, the bulk of your portfolio reviews will still be *strategic reviews*; that is, reviews that look at how the intentions and assumptions outlined in a particular piece of your strategy have played out in practice. The elements of these portfolios cohere because of their common strategic intent. These portfolios should therefore be increasingly synonymous with your refined Categories of Work, which link your written strategy to the numerical expression of those plans – your budget. Over the course of 2015 and beyond, you should strive to identify strategic portfolios that accurately reflect your work, are distinctly visible in your strategy and budget, and track to your chosen Categories of Work. This will become easier for programs as you begin to manage your work by portfolio.

### **Our Role – and Yours**

The Strategy Unit works with all OSF programs and foundations to build a culture of “live strategy,” from the planning phase through implementation, reflection, and adjustment. The Results Assessment team within the Strategy Unit, headed by me as Associate Director with support from Program Coordinator Daphne Panayotatos, manages and refines the portfolio review process, among other tasks. We see ourselves as supporters of and advocates for a meaningful process that serves both OSF's leadership and programs themselves. We hope you see us as a resource, and as partners in all phases of this experiment. As in 2014, we are available to help each of you define portfolio parameters, coach presenters and moderators, advise staff on the selection of participants and discussants, and discuss follow-up steps. This engagement helps us learn about and adjust the model based on your actual experiences.

### **Portfolio Review Processes for 2015**

While the board- and staff-level models of portfolio review are currently less developed than the presidential review model, several aspects of the process are common to all three levels. **Here we provide guidelines specific to presidential, strategic reviews based on our experience so far, while using text boxes to note potential adjustments for non-presidential reviews, which can be less formal.** Regardless of the level of formality, a portfolio review's core elements include the following:

- A retrospective focus on the program’s own agency and major decision-making moments;
- A demonstration of genuine, critical self-reflection;
- The provision of clear and concrete examples; and
- An analytical (rather than merely descriptive) approach.

### *Preparation*

The first step in any portfolio review is to identify the body of work in question. The size of portfolios will vary, but you should be sure to pick a portfolio that is large enough to constitute a significant piece of work yet small enough to allow for some specific reference to individual grants or other activities. You may want to devote some time to consulting with staff and advisors on the best definition and distribution of portfolios. While Chris remains open to other proposals, his assumption is that the reviews he joins will typically be strategic reviews, focused on all or part of a field, concept, shared framework, or perhaps sub-theme from your strategy. Another consideration is the age of the portfolio; given the retrospective nature of the meeting, it follows that portfolios with some history should be reviewed sooner whereas new efforts will need time to ripen. Finally, portfolios that have reached some kind of crossroads are especially suitable for selection.

The choice of topic—closely followed by the identification of specific grants and other expenditures that constitute the portfolio—will affect which participants you choose to invite and who might serve as a discussant in the review meeting (see next section). You may want to consider asking OSF colleagues from other programs or foundations to join if they could provide a useful perspective, or even set up a joint review of shared work.

Each program and regional director will have one or more presidential portfolio reviews in 2015. The [schedule](#) of reviews has been assembled by the president’s office. The following timeline applies to programs preparing for presidential reviews:

- Setting the topic: Programs with topic-setting meetings already scheduled with Chris for 2015 will proceed as usual; these program directors should send a proposed topic and one-paragraph rationale to the president no later than the Friday before the meeting. **Programs that have not yet scheduled topic-setting meetings should send their proposed topics to us by March 16. Programs with more than one presidential review in 2015 should submit *all* topic proposals at that time.** Chris’s office or one of us will follow up by the end of March if there is a need to discuss the topics.
- 4 weeks prior to review date: Program sends a list of the individual elements of the portfolio, organized by tool (see below).
- 1 week prior to review date: Program sends final portfolio review document, list of participants, participant bios, and suggested meeting flow and role assignments to the president and all participants.

**Please send all correspondence directly to Chris, copying Katy Mainelli, Paul Ranogajec, Daphne, and me.**

We ask that you try to avoid any adjustments given the demands of the president’s calendar. Programs themselves are responsible for all planning and logistics, such as room reservations, tech support, and preparing and circulating materials, including participant bios. We are happy to advise and to serve as a liaison with the President’s Office when necessary.

### Board- & Staff-Level Reviews

Board- and staff-level reviews can be set up at programs' discretion. As noted above, certain programs may need to conduct these with some frequency in order to meet the expectation that all work be reviewed over a two-year period.

Portfolio reviews with boards generally occur during their regular gatherings; that is, they are agenda items, not meetings unto themselves. We suggest that at least two portfolios be reviewed at each board meeting, but this can be adjusted to harmonize with existing board practice. In addition to what appears below, our [resource materials](#) include a [model e-mail](#) to help staff introduce board members to the process and their roles in it.

### *Materials*

Once the topic, level, and participants for the review are established, the preparation of materials for the portfolio review document can begin. Materials will be posted on the Strategy Unit's KARL community for access by all members of the OSF network. If the documents contain sensitive information, please send redacted versions or indicate that you would like them not to be posted.

#### 1. List of Portfolio Elements

The list of portfolio elements serves to define the portfolio by indicating what is "in play" – that is, the activities that fall within the portfolio of work and will serve as the basis for discussion during the review. Preparing the list is an exercise meant to discipline us and keep the discussion focused on the most relevant pieces of the work.

The list should be organized by tool: organizational and/or individual grants; policy and/or public advocacy; litigation; impact investing; government assistance; civil society assistance; and new enterprise development. Of course, not every portfolio will include elements of each kind. The document should provide the most basic, descriptive data about each activity rather than offer any analysis, which will be done in the main portfolio review document. Please highlight with distinctive asterisks or color-coding any activities that were funded from the Reserve Funds, or that represent collaboration with one of the Exchanges.

The new "Topics" feature in Foundation Connect can facilitate the preparation of this list and other portfolio review materials. The function allows you to tag proposal records and organization records with user-defined terms that can be used in searches and reports. Programs that define portfolios in advance and consistently tag records with those terms will be able to rely on the system to easily pull together a list of grants when the time comes for a review. For additional guidance on how to use Topics for portfolio review preparation, see our [blog](#).

#### 2. The Portfolio Review Document

The main portfolio review document should respond to the following questions<sup>2</sup>:

**1. Our Ambitions:** What are the parameters of the portfolio? What was our initial hypothesis about what we could achieve with this work, and how did we envision actually bringing about the desired change? What was the logic underpinning the mix of tools and Category of Work (field, concept, sub-theme) selected? What assumptions did we hold? If applicable, begin by referencing the relevant piece of your strategy.

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<sup>2</sup> These questions apply best to portfolios that are reflected in your strategy documents. Other portfolios may not be associated with a specific field, concept, shared framework, or sub-theme. Examples might include high-risk grants, analysis of a particular tool like litigation, or work related to a certain country or region. For these portfolios, the questions may need to be adjusted to the frame chosen. Please consult with us if you are preparing a review that is not directly related to a piece of your strategy.

2. Our Place: What is the broader state of play and environmental trends relevant to our aims, and what is our role? Who are the significant players, whether institutions or individuals? Include both those we support and those we do not.

3. Our Work: In this changing context, what surprises, successes, disappointments, and lessons have emerged from the activity under review, and what was *our* part in contributing to them? Knowing what we know now, would you have done something differently, or would you make the same decisions? What lingering questions do you have about the work?

If you are reviewing a field, concept/initiative, or shared framework, the general questions in this section should be viewed through the frame of that Category of Work:

- *Field:* Did we help our grantees become healthier organizations or more effective, responsive actors in their field? How do we know? Which of the grantees are doing the best in identifying and addressing the issues the field is facing?
- *Concept/Initiative:* Have we and our grantees and collaborators achieved the progress towards our goals that we had hoped for at this point? If not, should we switch tools, partners, or audiences? Or is it our goals that need to change?
- *Shared Framework:* How have the elements under review contributed to the overall aims of the shared framework? See also the field and concept questions above, as pertinent.

Note that in previous versions of this guidance, we had encouraged programs to finish with a set of questions for future work. However, to keep the backward- and forward-looking discussions separate (and thus more likely to actually achieve their respective aims), we ask that the document have an exclusively retrospective focus. While implications for future work may in some cases be self-evident, in general you should limit your analysis to your past efforts. To compensate, the portfolio review discussion itself will now have a more deliberate, dedicated period for considering the way forward.

We encourage you to experiment with the presentation of the information within a firm range of five to ten pages, exclusive of appendices. Appendices can offer useful extra space for supplementary data, but should be added only if you see a benefit that outweighs the effort of preparing (and reading) them.

#### Board- and Staff-Level Reviews

Materials required for non-residential reviews should be determined by each program. While they should generally cover the same content, the above guidelines may be adjusted to suit the specific purpose and audience of the review. For example, the portfolio review document for an internal, staff-level review among just a few colleagues may not need as much information about the general context and history of the portfolio, while the document for a board review might include some explanation of how the portfolio fits into the bigger picture of the program's work. As programs experiment, directors and board chairs should make their expectations on the level of formality and detail clear to staff.

Though not required, board-level review materials may be sent to Daphne for posting on KARL.

#### *Conducting the Review*

The review itself should last 90 minutes, beginning with a five- to seven-minute introduction by the portfolio lead. Leads can assume that participants have read the materials, and thus should focus on the most essential or debatable points from those documents, rooting their commentaries in specific

examples from the portfolio. A previously designated discussant (or two) will then respond at similar length with a friendly critique of the portfolio, basing his or her remarks mainly on the portfolio review document. The bulk of the remaining time will be open format, moderated by another member of the board or staff.

The first two-thirds of the discussion should be approached with a retrospective lens. Rather than dwelling on the program's present work or plans to adjust the strategy moving forward, participants should reflect on the results of the work so far and the choices that led to them. One hour after the review begins, the moderator will turn back to the portfolio lead to outline some questions or implications for the portfolio going forward, based specifically on the prior conversation. The remaining 20-30 minutes are devoted to exploring those tentative conclusions.

Chris Stone typically serves as a discussant for portfolio reviews at the presidential level, sometimes along with another discussant. You should suggest role assignments and sequencing to Chris when sending the final document. Below are brief descriptions of the essential roles played in portfolio reviews; more detail on each of these can be found in our [role guidance](#).

- **Portfolio lead:** the main person responsible for the work in question, and thus the main document drafter and presenter; sometimes this job is split between two staff people.
- **Moderator:** often a senior program staff person, responsible for guiding a discussion that is productive, inclusive, and follows the portfolio review format; shifts the focus from retrospective to forward-looking at the 60-minute mark.
- **Discussant:** follows the portfolio lead and offers a critical response to the document and presentation; may choose to pose some provocative questions for the discussion period.
- **Other participants:** You can invite whomever you like to your reviews; this may include board members and staff from your own program, those from other Open Society programs and foundations, or, more rarely, outside experts or consultants. Once the discussants have finished their remarks, all in attendance are welcome to contribute by asking and/or answering questions about the portfolio. In particular, *directors* will want to ensure that the full program's perspective is brought to the conversation. Although we often ask *board members* to help us with field analysis and strategy planning, here their main role is to help us look backward and assess our actions. Daphne or I typically join each presidential review as *observers*. You should also designate a rapporteur to take notes.

#### Board- and Staff-Level Reviews

Although the roles described above and 90-minute timeframe have proved effective at all levels, you can experiment with the size, duration, and set-up of non-presidential reviews to make them work for your program. Role assignments will vary depending on the type of review, though we recommend that all reviews have at least one participant playing each of the above roles.

#### *Follow-up*

In order to capture lessons from portfolio reviews, document your decision making, and support information sharing across the network, you should prepare a brief Outcomes Summary of each portfolio review. It should focus on key questions and comments that were raised in the meeting and any information about next steps and follow-up. The summary should be two to three pages long and finish with a maximum two-sentence statement describing the most significant outcomes of the review.

**Starting with the 2015 strategy review season, programs will be asked to produce for the Global Board’s Committee on Strategy, Budget, and Performance a chart compiling such outcome statements for all portfolio reviews (staff, board, and presidential) conducted since their last strategy review.** This will help the Committee connect your findings from past activity with your future plans. We will follow up with a template and outreach to each program on this during the month of February.

By recording the changes to our strategies that surface between approval decisions, we can begin to make them living documents. Thus the most important piece of follow-up to any portfolio review is the adjustment of the program’s strategy to reflect the emergent consensus during or after the meeting. These changes can be significant or subtle, and can be recorded in a variety of ways. Many programs have used the Outcomes Summary to signal those changes; others have adjusted the strategy documents themselves using the “comment” function or a brief appendix; some have instead documented them by adding a postscript to their portfolio review materials. Regardless of the format, these annotations do not need to be circulated or posted immediately; as noted above, though, they will likely feature in future strategy review discussions.

As with other elements of the portfolio review process, we encourage you to find an approach that makes sense for your program. Please send follow-up material to Daphne no later than four weeks after the review for posting on KARL alongside the relevant portfolio review document.

Finally, we would appreciate your reflections on the portfolio review process itself so as to help us refine it. We typically schedule a rapid debrief immediately after presidential reviews, both to reflect on the process and give programs a jumpstart on follow-up.

#### Board- and Staff-Level Reviews

The format and length of the Outcomes Summary and changes to strategy for board- and staff-level reviews is up to you. Directors should consult with their boards to ensure that the document covers what members are interested in. In any case, you will need to generate outcomes statements to populate the chart mentioned above.

#### **How We Can Help Each Other**

The Strategy Unit’s Results Assessment team is available as a resource to programs and foundations as you think through and try out portfolio reviews at all levels. We welcome your comments, questions, and suggestions so we can enhance the process and do a better job of supporting you. Our section of the Strategy Unit’s [KARL community](#) serves as a single repository for all resources related to portfolio reviews. Please become a member or visit the site for information about network calls, new resources, blog posts, and other updates.

Please reach out at any time to Dan at [daniel.sershen@opensocietyfoundations.org](mailto:daniel.sershen@opensocietyfoundations.org) or Daphne at [daphne.panayotatos@opensocietyfoundations.org](mailto:daphne.panayotatos@opensocietyfoundations.org). We look forward to continuing to work with you and learn from the incredible work you are doing.