


MEMORANDUM

To: OSF Global Staff; Foundation and Advisory Board Chairs

From: Daniel Sershen 

Copies: Chris Stone, Johanna Chao Kreilick, Sandra Dunsmore

Date: April 14, 2014

Subject: Guidance for 2014 Portfolio Reviews – Version 2.0

Portfolio reviews are at the center of OSF's current efforts to improve the performance of our own strategies and assess our results. This memo offers guidance to programs and foundations¹ as you conduct portfolio reviews in 2014 at the presidential, board, and staff level. Please note that while the [accountability proposal](#) from the Grant Making Design Team (GMDT) and the December 6th [call](#) with Chris Stone offer rich reference material, this memo is the most up to date statement of current hopes and expectations for the portfolio review process.

Definitions and Intentions

A portfolio is defined as a body of work (grants, advocacy, litigation, and other activities) that relates directly to a particular thematic priority, geographic context, or strategic method. In many cases portfolios will correspond to the fields, concepts, and shared frameworks outlined in program strategies; however, staff will have discretion to define the scope of a portfolio as they see fit, in consultation with advisory boards and senior managers.

Portfolio reviews are being developed as a tool for OSF staff, advisors, and senior managers to improve our work as a result of well-informed reflection and deliberation. Unlike other assessment methods that rely heavily on measuring adherence to plans that too soon become outdated, portfolio reviews marshal insight and analysis from colleagues, supervisors, boards, and OSF's president to look backward in a constructively critical fashion. The group considers the results of past work and the part we have played, how the context has affected that work, the paths not taken, and possible adjustments to the nature or mix of portfolio elements.

We expect that portfolio reviews will become a ritual that sharpens our assessment practice, makes our work and thinking more visible to each other, and in turn helps us invest our limited resources to greatest effect. Only by developing a flexible process that can serve the needs and interests of both program staff and OSF's leadership will we ensure that portfolio reviews become fully embedded in our institutional culture, helping to advance our missions.

¹ While these guidelines do not formally apply to national and regional foundations, we hope that foundations will experiment with the model and embrace the spirit of the portfolio review process even if their specific practices may differ.

Link to the Strategy-Budget Cycle

Portfolio reviews are meant to bring accountability and learning together to improve program effectiveness. As such, the portfolio review process is linked to the strategy and budget cycle; indeed the outcomes of recently conducted portfolio reviews will be revisited in future strategy and budget review discussions. However, 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 our emergent thinking into our strategies. Staff will have the time and opportunity to make changes to the program's 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 our 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.

Our Role – and Yours

The Strategy Unit is a new service unit working throughout the OSF network since January 2014. Our mission is to strengthen performance across the Foundations by delivering a set of support services, tools, and rituals that assist the network in all strategy- and budget-related functions. 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 as the year goes on. So far this has meant offering help to programs as they embark on portfolio reviews, observing as many of them as possible, sharing examples of useful practice, and finding appropriate ways to connect the outcomes of those reviews with the strategy and budget cycle. Although our focus has initially been on working to establish the process for presidential reviews, we will now devote more attention to advising programs as they expand board- and staff-level reviews.

Portfolio reviews are new to OSF. We believe 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. However, there is no prescribed way to get there, and our success will depend on learning and improvising as we go. Thus, while we offer some guidance, you are the main agent in shaping your own portfolio review process. We welcome your thoughts, comments, and experiments, and stand ready to support you.

Portfolio Review Processes for 2014

Portfolio reviews happen at three levels within OSF. First, they have replaced the grant docket reviews that OSF's president conducted with each director during 2013, and are now the main instrument by which he offers input to OSF's programs on a regular basis. The president's office has assembled a [schedule](#) that provides each program and regional director two such opportunities in 2014. We ask that you try to avoid any adjustments given the demands of Chris's calendar; please direct questions in this regard to Daphne. Programs themselves will be responsible for all of the planning and logistics around their presidential reviews (room reservation, tech support, preparing and circulating materials, etc.), although we are happy to advise and to serve as a liaison with Chris's office when necessary.

There are two other levels of portfolio review, with OSF advisory boards and internally among program staff. Although we have focused substantial attention on presidential reviews, these other two levels are

equally important, since they will embed the portfolio review ritual in programs' regular practice and have great potential for building programs' learning cultures. Right now, the board- and staff-level models are less developed than the presidential reviews. But programs are engaging in a variety of experiments, such as trying out "ultra-light" staff reviews that require very little prep, or grouping portfolios so each will benefit most from the attention of various audiences (Chris, board members, staff alone, etc.). We will share more on board and staff reviews as our experience base develops.

To the extent that guidance differs across these three levels, we have indicated it below.

Our intention is for all of a program's work to be reviewed at least once, at one of the three levels, during a two-year period. OSF's largest programs and foundations may need to explore alternative models, such as identifying a representative sample of work for review or handing over responsibility for some internal portfolio reviews to senior staff other than directors.

What appears below is the *minimum required approach* for portfolio reviews in 2014. To ensure that the benefit programs draw from these reviews is at least equal to the work put in, we encourage you to start at the minimum that these guidelines require. Any supplementary material should have high enough informational value to outweigh the effort required to produce it. Staff-level reviews are an especially promising place to experiment with lower-intensity versions of the model.

Preparation

The first step in any portfolio review is identifying the body of work in question. Since our strategies are new and we are still getting used to thinking about our work in "portfolio" terms, it could take some extra effort to identify suitable groupings of grants and other activities to review. 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. Programs may want to devote some time to consulting with staff and advisors on the best definition and distribution of portfolios. While remaining open to other proposals, Chris prefers that the reviews he joins focus on all or part of a single field, concept, or shared framework from your strategy. Another consideration is the age of the portfolio; given the retrospective nature of the meeting, it follows that those 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 to join if they could provide a useful perspective, or even set up a joint review of shared work.

To allow enough time for preparation, Chris would like to engage with program directors on the selection of topics for presidential reviews well in advance of the main meeting. He has established the following timeline:

- 8 weeks prior to the scheduled portfolio review date: Program director meets with Chris to discuss the portfolio review topic. Directors should send a proposed topic and one-paragraph rationale to Chris via email no later than the Friday before the topic-setting meeting. Following this meeting and if needed, programs should send a revised proposal ASAP.

- 6 weeks prior to review date: Unless Chris indicates otherwise, programs can assume the last submitted version of the topic is approved.
- 4 weeks prior to review date: Program sends a list of the individual elements of the portfolio, organized by tool (organizational grants, individual grants, direct advocacy, litigation, demonstration projects, financial investments, public communications).
- 1 week prior to review date: Program sends final portfolio review document and suggested meeting flow and role assignments to Chris Stone and all participants.

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

Board- and staff-level reviews can be set up at programs' discretion, with the expectation that all of a program's work will be reviewed over a two-year period, as noted above. We anticipate that most portfolio reviews with boards will occur during their regular gatherings; that is, they will be 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. Annex 2 offers a primer to help introduce the portfolio review process to board members and new staff.

Materials

Once the topic, level, and participants for the review are established, the preparation of the portfolio review document can begin. The document should respond to the following questions²:

1. Our Ambitions: 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 or concept/initiative) selected? What assumptions did we hold? If applicable, begin by referencing the relevant 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, have the grants and activities included in the portfolio gone as planned? What surprises, successes, disappointments, and lessons emerged, 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?

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:

² These questions apply best to portfolios that are enshrined in your strategy documents. Other portfolios may not be associated with a particular field, concept, or shared framework. Examples might include high-risk grants, applications of a particular tool like litigation, or work related to a specific country or region. For these portfolios, the questions may need to be adjusted to the frame chosen.

- *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.

4. Going Forward: Drawing on recent experience, what adjustments to the composition or direction of the portfolio might be required? What are a few, essential questions about the portfolio on which the program would like to get the group's advice?

Some supplemental questions can be found in the GMDT proposal. 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 programs to provide data or expand on key points raised, but should be added only if you see clear value in elaborating on the main document.

Conducting the Review

The review itself should last 90-120 minutes, beginning with a five- to seven-minute introduction by the lead staff person(s) responsible for the portfolio. She can assume that participants have read the materials, and thus should focus on the most essential points from those documents, rooting her commentary in specific examples from the portfolio. The introduction should conclude with a few, burning questions about the work that the staffer hopes to explore, stemming from the lessons identified.

A previously designated discussant will then respond at similar length with a friendly critique of the portfolio, basing his 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, depending on the type of review. Chris Stone typically serves as moderator for portfolio reviews at the presidential level and sometimes as discussant as well; programs should suggest role assignments to Chris when sending the final document.

These 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. Attention will shift to the future at the end of the review.

The responsibility for portfolio reviews is shared among program staff and, indeed, all in the room. While one staffer typically takes the lead, it is rare for a single person to be the only one who has a role in carrying out the actual work of the portfolio, and the same applies for participation in the review. Thus a program director might be called upon to comment on the broad trends shaping the field, while another staffer may take a query about a prominent organization we are not funding. Annex 1 provides a short guide to roles during portfolio reviews.

Follow-up

A significant piece of follow-up to any portfolio review will be annotating the program's approved strategy to reflect the emergent consensus during or after the meeting. This can be done in the margins via the "comment" function. By recording the changes to our strategies that surface between approval decisions, we can begin to make them living documents. These annotated strategies do not need to be circulated or posted and are for programs' own, ongoing use; however, they may be requested by senior management at some later point.

Additionally, in order to capture lessons from portfolio reviews, ensure information sharing across the network, and facilitate programs' decision making, programs should prepare a brief public summary of portfolio reviews conducted at the presidential and advisory board levels. The summary should be two to three pages long and will be posted alongside the relevant portfolio review document for access by all members of the OSF network, unless special circumstances require otherwise. The summary should focus on key questions and comments that were raised in the meeting and any information about next steps and follow-up. For board reviews, the staff summary should either be endorsed by the board or complemented by an addendum that recaps the board's perspective.

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 for posting on the Strategy Unit's [Results Assessment](#) section on KARL.

Finally, we would appreciate your reflections on the portfolio review process itself so as to help us refine it. We recommend that these be addressed in a separate debrief session after the review, to preserve the actual meeting time for discussion of content. We will be happy to join such postmortems and/or receive your reflections in writing.

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. Relatedly, we are conducting a stocktaking of existing accountability and learning practices that might have a place in our evolving results assessment toolkit. We will make contact with directors soon, if we have not already, to invite you to engage in these discussions.

The Strategy Unit's [KARL community](#) is in development and will serve as a single repository for all information and resources related to the full strategy and budget cycle, including portfolio reviews.

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