

**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, Daphne Panayotatos

**Date:** February 3<sup>rd</sup>, 2016

**Subject:** Guidance for 2016 Portfolio Reviews (Version 4.0)

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Portfolio reviews are OSF's main tool for assessment. In using these reviews to steadily improve our work, we seek to encourage staff learning, build the awareness and confidence of OSF's leadership in our efforts, and refresh our commitment to fields and issues with no easy fixes. They are therefore one of the central means by which we cultivate and nourish our "living" strategies.

This memo draws on OSF's two years of experience with portfolio reviews to offer guidance to programs and foundations<sup>1</sup> as they review their work at the presidential, board, and staff level. For those looking to go deeper, additional material is available [here](#) on KARL.

**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. Although portfolio reviews generally look at the implementation of the unit's strategy, sometimes they also revisit the strategy itself. 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 eventually 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 in order to determine whether and how to adjust our approach. Programs have the time and opportunity to make changes to the portfolio 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; while

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<sup>1</sup> Until this year, foundations have not been required to conduct portfolio reviews, though several have experimented with them. As of 2016, however, foundations that have chosen a closer relationship with OSF will begin having regular reviews. Most will not hold reviews with OSF's president, but instead will develop a system with their local boards. If you have questions about whether your foundation is expected to begin holding portfolio reviews, please reach out to your regional director and our team. When we use the term "units" in this document, we are including all programs and foundations that conduct portfolio reviews; we use "programs" to refer more narrowly to those that conduct reviews with OSF's president.

portfolio review documents always make reference to specific pieces of work and grants, these are used to shed light on a unit's thinking and the broader trends in the portfolio.

We conduct portfolio reviews at three different levels: with the president, with our boards, and internally among staff. Each program is expected to review all of its work at one of those three levels within a two year period; foundations will likewise review all of their work at the board or staff level. While we apply the same fundamental approach at each level, we recommend units seek ways to reduce the amount of preparation and procedure around staff and board reviews, and are happy to share some suggestions on how to do so.

Portfolio reviews' role in improving program effectiveness closely links them to the strategy and budget cycle. Indeed, while we always encourage other [types of review](#), the bulk of your portfolio reviews will 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. These portfolios should therefore be increasingly tied to your refined Categories of Work – fields and concepts – which connect your written strategy to your budget. The Strategy Unit can help your staff build a set of strategic portfolios that connect to your goals and are apparent in your strategy and budget through reference to your chosen fields and concepts.

### **Our Role – and Yours**

The Strategy Unit works with all OSF programs and foundations to build a culture of “living strategy,” from the planning phase through engagement, reflection, and adjustment. The [Results Assessment team](#) within the Strategy Unit manages and refines the portfolio review process to ensure it serves both OSF's leadership and units themselves. We also advise units on how to anticipate their assessment needs at the planning stage, encouraging them to build an integrated approach to assessment that complements portfolio reviews with other findings generated at the program and grantee levels. We hope you see us as a resource, and as partners in all phases of this experiment. **As in the past, we are available to help programs define portfolios, review draft documents, advise staff on how to assign roles, coach presenters and moderators, and consider follow-up steps.** This engagement helps us learn about and adjust the model based on your actual experiences. Beginning in 2016, we will offer varying levels of support to foundations depending on whether they conduct portfolio reviews.

### **Portfolio Review Process for 2016**

While board- and staff-level portfolio reviews offer more flexibility than the presidential review model, several aspects of the process are common to all three levels. Further in this document we provide guidelines specific to presidential, strategic reviews, while using text boxes to note potential adjustments for other types of review. **At all levels, and for both programs and foundations, portfolio reviews are:**

- **Retrospective:** they look back at past work rather than focusing on forward planning;
- **Concrete:** they rely on specific examples from a defined body of work to identify broader trends or issues;
- **Analytical:** they call for self-reflection and a spirit of inquiry in critically examining the work, rather than just describing our efforts; and
- **Focused on our decisions:** they ask us to reflect on our own decision-making, knowing what we know now.

### *Preparation*

The first step in any portfolio review is to identify the body of work in question. Although you have flexibility to craft a set of portfolios that reflect the way you would like to implement and assess your work over time, we increasingly expect to see greater correspondence between your portfolios and your strategy. Accordingly, the president has requested that reviews with him focus on a complete field or concept from a program's strategy – that is, everything funded from that Category of Work code in our systems. Another consideration in selecting portfolios is age; 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. Typically, a review concentrates on the work conducted within the past strategy period, looking back not more than two or three years. Finally, portfolios of ongoing work 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). It is a good idea to ask OSF colleagues from other units to join if they can offer a useful perspective, or even set up a joint review of shared work. We can provide suggestions as needed.

Each program will have one or more presidential portfolio reviews in 2016. The [schedule](#) of reviews has been assembled by the President's Office. Presidential reviews follow this timeline:

- January: Programs propose their [presidential review topics](#) at the beginning of each year. If you would like to change your topic, please write us with the new or adjusted subject matter and brief rationale in advance of the four-week deadline.
- 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 all participants.

**Please send all correspondence directly to Chris, copying Katy Mainelli, Paul Ranogajec, and the Results Assessment team.**

We ask that you try to avoid adjustments or postponements 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.

#### Scheduling Board, Staff, and Foundation Reviews

These reviews can be set up at the unit's discretion. As noted above, certain units 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, you can begin preparing materials. These 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 the activities that fall within the portfolio of work and are 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. For strategic reviews at the presidential level, the list of elements should be comprehensive, including all activities coded to the relevant Category or Categories of Work, rather than a select sample.

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. It should be organized by tool: organizational and/or individual grants; policy advocacy; communications, strategic litigation; impact investing; government assistance; and new enterprise development. (Of course, not every portfolio will include elements of each kind.) For grants lists, order the elements by the size of the commitment, with the largest first. Please also highlight with distinctive asterisks or color-coding any activities supported by Reserve Funds, or that represent collaboration with one of the Exchanges.

Foundation Connect can facilitate the preparation of this list and other portfolio review materials. For portfolios that do not tie directly to a Category of Work code, the "Topics" feature can help by allowing you to tag proposal and organization records with user-defined terms. 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. See our blog for additional guidance on how to use [Topics](#) for portfolio review preparation and for step-by-step instructions on using customizable [report templates](#) to generate grants lists by Category of Work and/or Topic.

### 2. The Portfolio Review Document

The main portfolio review document should respond to the following questions:

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 approach (field, concept, shared framework) 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? Who are the significant players, whether institutions or individuals, and what is our role? 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 *your* part in contributing to them? **In looking back at your decisions, please address the most central question of any portfolio review: knowing what you know now, what would you do differently?** What decisions did you face as the work unfolded, and how did you respond? Did your assumptions about the best mix of tools and tactics prove accurate? For successful aspects of the work, analyze what you did well. Were the enabling

conditions unique, or might you be able to replicate your success? For pieces that did not turn out as planned, what will you change the next time you face a similar situation? Looking back at this body of work, what lingering questions do you have?

If you are reviewing a field, concept/initiative, or shared framework, you should consider the following alongside the general questions provided above:

- *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 relevant.

The document should have an exclusively retrospective focus. To compensate, the portfolio review discussion has a dedicated period for considering the way forward.

We encourage you to experiment with the presentation of the above 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 benefit that outweighs the effort of preparing (and reading) them.

### Exceptions and Adjustments

#### *Board, Staff, and Foundation Reviews*

Although materials for non-presidential reviews should generally cover the above content, the emphasis may change with the audience. For example, the portfolio review document for an internal, staff-level review among just a few colleagues may not need as much contextual information, while a board review document might include more explanation of how the portfolio fits into the bigger picture. (Though not required, non-presidential review materials may be sent to us for posting on KARL.)

#### *Portfolios Involving Tools Other Than Grants to Organizations*

The above questions apply best to the most common type of portfolio: those linked to strategy and relying mostly on organizational grants. When reviewing portfolios that involve other tools (advocacy, litigation, etc.), you might find it useful to adapt the questions depending on the kinds of choices you had to make. For sample questions specific to each tool, see [Annex 1](#). As noted above, you should also consider if the mix and balance of tools you chose was appropriate for your aims. Units that made use of a tool that is not their primary method should consider involving an OSF colleague from a unit with that explicit specialty, such as inviting someone from OSEPI or OSI-DC to join a review of work that involved advocacy, whether it was in OSF's name or via grantees.

#### *Cross-cutting Reviews*

The questions in the main text may not apply at all for reviews that focus on cross-cutting goals, examine certain grant characteristics, or otherwise do not have a direct relationship to your strategy. Please consult with us if you are considering a review of this type.

### *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. Building your presentation around the essential portfolio review question – “With the benefit of hindsight, what would you do differently?” – works particularly well. A previously designated discussant (or two) will then respond at similar length with a constructive 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.

Below are brief descriptions of the essential roles played in portfolio reviews; our [role guidance](#) offers more detail. You should suggest role assignments and sequencing to Chris when sending the final document.

- **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; often poses some provocative questions for discussion. Chris Stone serves as a discussant for portfolio reviews at the presidential level, sometimes alongside another person.
- **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, 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. A member of our team typically joins each presidential review as an *observer*. You should also designate a rapporteur to take notes.

#### Roles in Board, Staff, and Foundations Reviews

Although the roles described above and 90-minute timeframe have proved effective in all types of review, you can experiment with the size, duration, and set-up of non-presidential reviews to make them work for your unit. We recommend that all reviews have at least one participant playing each of the above roles.

### *Follow-up*

After a portfolio review, there are three pieces of follow-up.

**First, no later than 10 days after every review – presidential, board, or staff – the unit should produce an Outcomes Statement identifying the single most significant insight that arose over the course of the review and any action or adjustment expected in response.** The president reviews these with program directors on a regular basis, and the Global Board’s Committee on Strategy, Budget, and Performance does the same when a unit submits a new strategy. They are therefore essential in establishing a link between our assessments of past work and our future plans. We have provided each program with a simple template to gather these statements as portfolios are reviewed, and we can also help you draft them in a debrief meeting after the review.

Second, in order to capture broader lessons from portfolio reviews, document your decision making, and support information sharing across the network, you should prepare a brief Outcomes Summary and send it to us within one month of the review. In two or three pages, the Summary should focus on key questions and comments raised in the meeting and any information about next steps and follow-up.

Finally, units should consider how they will record any changes to their strategies as a result of portfolio reviews. Many programs have used the Outcomes Summary or a memo to signal those changes; others have adjusted the strategy documents themselves using the “comment” function or a brief appendix; some have instead added a postscript to their portfolio review materials. Unless you need to make significant changes to your strategy and/or budget that require approval, these annotations do not need to be circulated and are for the unit’s use. For additional guidance on whether and how to get formal approval for adjustments, please see the forthcoming [Strategy & Budget Modification Guidelines](#).

#### Follow-up for Board, Staff, and Foundation Reviews

Except for the Outcomes Statements, the format and length of follow-up items for non-presidential reviews is up to you. Directors should consult with their boards to ensure that the document covers what members are interested in.

### **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 improve 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 of that community or visit for information about network calls, new resources, blog posts, and other updates. As always, you can reach out to us at any time. We look forward to continuing to work with you and learn from the inspiring work you are doing.