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# Bridgespan 2019 Annual Report

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## To our friends and colleagues...



Jeffrey L. Bradach  
Managing Partner &  
Co-founder

The year 2019 feels like a dim memory in the midst of the tumultuous and unprecedented events of 2020. A raging global pandemic, a massive economic crisis that is magnifying historic levels of inequality, an uprising in support of Black lives in the United States, and a rapid erosion of liberal, democratic institutions and norms have struck at breathtaking speed and with ramifications that will play out for decades—some of which are frightening while some may point to new possibilities.

Amid all of it, we see more clearly the crucial role of civil society – the movements, social change organizations and leaders, and philanthropists—that are helping us all, especially the most vulnerable, navigate through these challenges. The vulnerable are always the hardest hit by crises and they are also almost always reached last and least in the recovery. We stand with all those working to not accept “getting back to normal” as the goal, but to create an “equitable recovery” that rebuilds the world in a more just and equitable way.



Thomas J. Tierney  
Chairman & Co-founder

While our work in 2019 seems distant, it laid important ground work for our ability to support leaders and organizations in the crises of 2020. You will see ripples in the case studies shared here from 2019 that reach into 2020:

- In the building of philanthropic collaboratives that are now aimed at aggregating capital to address new challenges and opportunities
- In the advocacy for “pay what it takes”, which is an anchoring of principles in the lifting up of “trust-based philanthropy”
- In helping for-profit impact investors hold themselves accountable for real impact, which will be even more important if we are to achieve an equitable recovery

One of the most momentous—and long overdue—events of 2020 is the growing outcry for racial justice in the United States. While Bridgespan has been focusing on this issue for several years, we—and here I mean the two of us and many of our white colleagues—have been moving too slowly and timidly. That is changing. Our recently released work on the racial barriers to

capital in philanthropy is but one small step among many that we are pursuing, and that must be pursued, if we are to root out the structural racism that confronts so many people in the US—and in different forms, around the globe.

We feel immensely grateful for the opportunity to serve vital social sector leaders, especially in this difficult time. We do not take for granted the trust placed in us to help those we serve meet some of the toughest challenges they have ever confronted. We are committed to do all we can to help people chart a path towards a more just and equitable world. If you see us drifting from that mission, please tell us. From the beginning, Bridgespan has been an act of co-creation – with us being shaped in profound ways by the advice and feedback we have received from people across the sector and within the organization.

With gratitude and hope for the future,  
Tom Tierney and Jeff Bradach



Jeffrey L. Bradach  
Managing Partner &  
Co-founder



Thomas J. Tierney  
Chairman & Co-founder

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# Clients & Collaborators

In 2019, The Bridgespan Group had the privilege to work with over 300 mission-driven organizations, leaders, movements, philanthropists, and foundations through strategy consulting, philanthropy consulting, Leading for Impact®, and Bridgespan Leadership Accelerator engagements. A selection of these clients is featured below.

# Featured Clients



**THE BAIL PROJECT**

BILL & MELINDA  
GATES *foundation*

blue meridian  
partners



**Co—  
Impact**

**FEEDING  
AMERICA**



**LAST  
MILE  
HEALTH**

MacArthur  
Foundation



**THE RISE  
FUND**

TATA TRUSTS



# 2019 Bridgespan Client List

The Bridgespan Group is privileged to have collaborated in more than 1,000 engagements with leading mission-driven organizations, leaders, movements, philanthropists, investors, and foundations across a wide range of strategy consulting, philanthropy consulting, Leading for Impact®, and Leadership Accelerator engagements to help scale their social impact. This page lists selected clients with whom we engaged in 2019.

## Nonprofit Consulting

A Better Chicago  
African Leadership Academy  
Anti-Defamation League  
ArtPlace America  
Birthright Israel Foundation  
Brady Campaign to Prevent Gun Violence  
California Tribal College  
Caminar  
Campaign for Black Male Achievement  
Center for Policing Equity  
Child Trends  
Clark University  
College Advising Corps  
College Transition Collaborative  
Compass Working Capital  
EL Education  
Elizabeth Glaser Pediatric AIDS Foundation  
Global Citizen Year  
Hunger Project  
Immigrant Justice Corps  
International Finance Corporation  
Internet Society  
Jewish Association Serving the Aging  
Jewish Federations of North America  
Johns Hopkins Bloomberg School of Public Health

Kingmakers of Oakland  
Larkin Street Youth Services  
Leukemia and Lymphoma Society  
Low Income Investment Fund  
Mental Health First Aid Colorado  
Mercy Housing  
Mindset Scholars Network  
National 4-H Council  
National Geographic Society  
National Public Radio  
New Economy Initiative of Southeast Michigan  
New Teacher Center  
Nutrition International  
OneGoal  
Partnership with Children  
PeerForward  
Planned Parenthood Federation of America  
PolicyLink  
StriveTogether  
TED: The Audacious Project  
The First Tee  
The George Washington University  
Thorn  
Truth Initiative  
Uncommon Schools  
Upstream USA  
YMCA of the USA  
Youth Villages  
Zero To Three

Catholic Charities of the Archdiocese of Washington, Inc.  
Goodwill of Greater Washington  
Noble Network of Charter Schools  
Nurse Family Partnership  
Project Transformation  
Youth Villages

## Philanthropy Consulting

abc World Asia  
Bail Project  
Bill & Melinda Gates Foundation  
Bloomberg Philanthropies  
Blue Meridian Partners  
Charter School Growth Fund  
ClimateWorks Foundation  
Co-Impact  
David and Lucile Packard Foundation  
Einhorn Family Charitable Trust  
Ford Foundation  
Fred A. and Barbara M. Erb Family Foundation  
J.B. and M.K. Pritzker Family Foundation  
John D. and Catherine T. MacArthur Foundation  
Jon Bon Jovi Soul Foundation  
Kamehameha Schools  
Kenneth Rainin Foundation

Morgan Stanley Foundation  
Paul Ramsay Foundation  
Peter G. Peterson Foundation  
Raikes Foundation  
Robin Hood  
Silicon Valley Community Foundation  
Skoll Foundation  
TGR Foundation  
Texas Pacific Group  
The Christensen Fund  
The Pew Charitable Trusts  
The Rockefeller Foundation  
Valhalla Charitable Foundation

## Leading for Impact®

2019 LFI Clients not mentioned on 2018 list:

Access Living  
AIDS Foundation of Chicago  
Arlington Free Clinic  
Boston Area Rape Crisis Center  
Boston Chinatown Neighborhood Center  
Boston Collegiate  
Boston Harbor Now  
Bottom Line  
Boys & Girls Club of Southeastern Michigan  
Breakthrough  
Building Bridges Across the River  
Cambridge Family and Children's Service  
Campaign Legal Center  
Chicago Commons  
Chicago Community Loan Fund  
Chicago Foundation for Women  
Chicago Scholars  
Child Care Resources  
Citizen Schools Massachusetts

City Year Detroit  
City Year Washington DC  
Community Action Agency of Somerville, Inc.  
Deborah's Place  
Detroit Police Athletic League Development Centers  
Downtown Seattle Association  
Educare Washington, DC  
Facing History and Ourselves  
Family Focus, Inc.  
FamilyAid Boston  
Gads Hill Center  
Generations Incorporated  
Girl Scouts Nation's Capital  
Greenpath Financial Wellness  
Hildebrand Family Self-Help Center, Inc.  
Homesight  
HomeStart, Inc.  
Lakeview Pantry  
Latino Community Fund of Washington  
Legal Aid Chicago  
Legal Aid Society of the District of Columbia  
Maryland Nonprofits  
Matrix Human Services  
Metropolitan Planning Council  
Michigan Advocacy Program  
Middlesex Human Services Agency  
MobileMed  
Museum of African American History  
Neighborhood Housing Services of Chicago  
New Moms  
Northeast Energy Efficiency Partnerships  
OneAmerica  
OneGoal  
Phoenix Academy Charter

Network  
Planned Parenthood of Metropolitan Washington, DC, Inc.  
Project Bread - The Walk for Hunger  
Raising A Reader MA  
Southwest Youth and Family Services  
Teach For America - Chicago-Northwest Indiana  
The Arc Prince George's County  
The District Alliance for Safe Housing  
The Food Project  
The Home for Little Wanderers  
The Nature Conservancy in Washington  
The New England Aquarium  
The People's Music School  
The Resurrection Project  
Washington STEM  
YWCA Metropolitan Chicago

## Leadership Accelerator

Austin Street Center  
AVANCE - North Texas  
Big Brothers Big Sisters Metro Chicago  
Bluegrass / New Vista (new name)  
Boys & Girls Clubs of Boston Inc.  
Bridge (North Texas) - Homeless Recovery Center  
Briya Public Charter School  
Calgary Counselling Centre  
Chicago Scholars  
Children's Institute, Inc.  
Citizens' Housing and Planning Association

Cohen Veterans Network	iMentor	Population Action International
College for Social Innovation	Kraft Center for Community Health	Prevent Blindness Texas
Community Action Marin	Larkin Street Youth Services	Project Hope Alliance
Complete College America	Last Mile Health	Project Open Hand
Contra Costa Interfaith Housing	Liberty Resources	Promise 54
Crisis Connections	Lifewire	PROVAIL
DigitalUndivided	MA Smart Growth Alliance	Public Rights Project
Dog Tag Inc	Mercy Housing Northwest (NW)	R Street Institute
EarthCorps	Millionair Club Charity	Roosevelt Institute
Food Lifeline	Momentous Institute	Senior Source
Friends of the Children	My Possibilities	Shakti Sustainable Energy Foundation
Gavin Foundation	MyPath	Southwest Youth and Family Services
Girls Inc. of Greater Lowell	Na'ah Illahee Fund	Stage Source
Girls Inc. of Long Island	National Board for Professional Teaching Standards	Teaching Trust
Girls Inc. of Shelbyville & Shelby County.	North Texas Food Bank	Venture for America
Girls Inc. of St. Louis	Overdeck Family Foundation	Year Up Bay Area
Girls Inc. of TN Valley	Playworks Bay Area	
Holy Family Institute	Playworks MA	
Hope Builders		

# Stories of Impact

The stories below represent a few of the remarkable projects, organizations, and individuals we are grateful to have worked with.



# Anudip

*Transforming disadvantaged youth into an IT workforce*

Dipak Basu describes India’s Ganges Delta as “a very beautiful place full of mangroves and forests and tigers and king cobras and whatnot—and a whole lot of very poor people.” When Basu asked those people how he could help, their clear priority was jobs. They asked the Cisco Systems Senior Director to teach them the job he knew best: how to use computers.

Basu launched Anudip Foundation in 2006. Within three years, the job training and placement nonprofit was doubling its reach every year by focusing on developing IT and digital skills. What’s more, it achieved a 75 percent job placement rate—nearly four times the rate of peer organizations in India.

With 41 percent of citizens under age 18, India’s population is the youngest in the world. “Some people call it a demographic



*Students, who have always learned in traditional lecture-oriented classrooms, learn English in peer groups using tablets and smart phones.*

dividend,” says Bridgespan Partner Rohit Menezes. “Other people call it a demographic time bomb, where the Indian economy has

to generate millions of new jobs a year just to keep people employed. And that’s really just not happening.”

By 2016, Anudip was placing 12,000 young people from poor, tribal, or otherwise marginalized communities in jobs every year—and wanting to do far more. Longtime Anudip funder, Omidyar Network, connected Anudip with Bridgespan’s brand new Mumbai office. Their joint ambition: figure out how to expand Anudip’s annual reach to 100,000 youth served, without a proportional increase in expenses.

## How to get to 100K

From the outset, Anudip understood that to increase reach by a factor of 10—but increase expenses by only a factor of three—it would need to incorporate some online education. The question was how to make this happen.

An exhaustive process of gathering feedback ensued. The Bridgespan team traveled to various parts of India’s West Bengal state to conduct focus groups, surveys, and interviews with former, current, and potential students, as well as trainers, employers, experts, and Anudip funders and advisors.

The team learned that Anudip’s clients were very happy with the nonprofit’s services. On a scale of 1 to 10, students rated their overall experience with Anudip an average of 8.1, placing high value on the quality of instruction they received, as well as the job placement supports. Importantly, while they were open to tech-led learning, they also really valued in-person learning and support.

In the final phase of the project, Bridgespan worked with Anudip to translate feedback and analysis into a 12-step transformation roadmap to implement and scale a blended-learning approach.



*Hardware maintenance class in progress: students learn to troubleshoot and repair a PC.*

For Basu, the feedback and strategic support from Bridgespan were affirming. “The relationship with Bridgespan gave us a lot of confidence in ourselves that we were on the right path,” he says.

For Bridgespan Manager Danielle Berfond, assisting Anudip was exhilarating. “Working with a nonprofit that is reaching tens of thousands of students and plans to reach hundreds of thousands is really not a chance you get very frequently in the United States,” she says. “It captures what opportunities exist in India. If you’re able to identify interventions and approaches and organizations that work well, you have the potential to really change the game.”

## Moving the goalposts

Bridgespan’s roadmap, completed in 2016, provided a plan to reach 100,000 students within five years. Four years later, as numbers hover around 30,000, Basu admits to running a little behind. “You can increase the numbers,” he says, “but numbers alone aren’t enough.”

While Basu still believes Anudip will be serving 100,000 students three to four years from now, he acknowledges that,

in an ever-changing India, equipping the most marginalized groups with in-demand skills requires more time and effort. As the country becomes more prosperous, Anudip is pushing further down the economic ladder to reach those most excluded from society—people with very high needs, including those with disabilities, victims of trafficking, transgender people, and tribal people. And, as basic computer work moves to other countries, the lowest level jobs in India require a higher skillset and longer training courses for students.

first true inauguration and immersion into a genuinely indigenous Indian nonprofit experience,” says Menezes. “It basically set the bar for all the other projects out of that office both in terms of the breadth of the work and the quality of work.”

## A master at work

Basu has fostered a family-like culture at Anudip, where staff members refer to him as “dada” (“big brother”). But his gentle demeanor belies a persistence, a steadfastness that has led The Rockefeller Foundation and others to seek his partnership in supporting other marginalized populations around the world. Anudip is currently considering expansion into Bangladesh, Nepal, Cambodia, Indonesia, and Malaysia.

In 2018, Anudip opened its first satellite office in New Orleans, which serves people on probation and parole, as well as those recovering from substance abuse. As with the India program, Basu is finding that it takes a few years to work out the kinks. “What we train, the way we train, is specific to New Orleans,” he says.

Today, Basu has taken a step back from daily operations at Anudip to focus on other endeavors. As he moves forward, he carries this lesson from Bridgespan: “Get feedback from all your stakeholders as you go along; get this continuously or periodically to validate what you’re doing.”

As with many Bridgespan clients, the learning swung both ways. “It was our



# Boys & Girls Clubs of America

## *Upgrading an Operating Model to Drive Greater Change*

When Jim Clark took the helm of Boys & Girls Clubs of America (BGCA) in 2012, he began to pivot to a bold new strategy: to shift emphasis from numbers of youth served to the outcomes those youth achieved in education, personal health, and character.

He also took on an organization that had grown rampantly for 20 years. “At one point, for multiple years, we were opening a new Boys & Girls Club every single day,” says Chief Operations Officer Lorraine Orr. The national office struggled to keep pace. Up to 40 percent of Club CEOs left during their first year. And nearly one third of BGCA’s 4,700 Clubs reported dissatisfaction with the national office’s services.

### **New initiative: Operating Models for Nonprofit Networks**

In October 2019, Bridgespan launched Operating Models for Nonprofit Networks: Bridging the Gap between Strategy and Results, drawing on decades of experience helping organizations revamp their structures, management systems, and ways of working, as well as building the bridge between strategy and execution. While a substantial undertaking, revamping a network’s operating model can position it for the next major leap in impact.

“It was clear that the national office needed to add value with every interaction, become more responsive, more innovative, and much better able to help some individual Club organizations develop into high-performing operations,” said Clark.

In recent years, scores of organizations have set goals to not just serve their communities but to actually solve social problems. Like Boys & Girls Clubs, others are discovering a gap between their new strategy and their ability to execute.

BGCA was not alone in its challenges, but it was recognized for its ambition, complex organization, highly capable leadership, vast footprint of local affiliates, and commitment to realizing real change in its national office. Seven years later, Bridgespan continues to uphold its work with BGCA as a hallmark of effective partnership.

## An enormous undertaking

Not every Bridgespan client walks through the door with a detailed list of things it wants to address. BGCA did exactly that. The organization knew what it wanted to change—and that it needed outside help with those changes.

Together with BGCA, Bridgespan embarked on an eight-month process of first engaging with stakeholders to understand what was and wasn't working, and then designing and implementing a new structure and service delivery model. The path forward involved, among other things:

- A culture shift at the national office to exist in service of the Clubs. “If the Clubs are to be in service of the kids, how does BGCA recognize the change agent is actually the Club—not the national office?” says Bridgespan Senior Advisor Alan Tuck, who led the project with BGCA.

- More customized supports for BGCA's varied Clubs, as well as making sure the right people were serving those Clubs. “Some Boys & Girls Clubs are \$30 million organizations and some have very small budgets,” explains Bridgespan Partner Mark McKeag. “Some are located in large cities and others in rural areas. They've got Clubs on military bases. They've got Clubs on Native American lands.” The diverse Clubs needed a range of supports from the national office.
- A shared accountability, so that functions such as marketing or fundraising measure their success by the impact of the Clubs. In particular, by integrating programming and fundraising, BGCA ensured the money it raised aligned with the work it was actually doing.

Devising the plan wasn't easy. “[Bridgespan] tested us,” says Orr. “I think that's how you get to really good projects...when you test each other.” The ultimate plan represented the largest internal change in BGCA's history, with changes to 40 percent of roles.

## The hard part

If dramatic change is challenging, longevity can compound the difficulties. “When you're talking about decades or 100-plus years of operations, it's just that much longer for ways of working to be ingrained,” says McKeag.

Bridgespan needed to help make the case for change. “Bridgespan...brings a rigor to analysis that makes it harder for people to say, ‘but that's the way we've always done it,’” says Tuck. “We pull out the data. We get the inputs from lots of people.”

For BGCA, the use of data was illuminating. “It was the first time in our organization where we really got very focused on data, and what the data was telling us, and looking outside our organization,” says Orr.

This rigor paid off when BGCA finally rolled out the changes. “It wasn’t just change for change[’s] sake,” said Orr. “It was really all about this responsibility we all had signed up for in terms of what needed to happen in this nation for kids. We knew we had to be a bigger part of that change.”

Following the project launch, BGCA witnessed intense turnover. Those who stayed have realized that this is a long and emotional transition, but understand its significance to the future of the Movement and mission.

## Partnership for impact

These days, the network is seeing encouraging growth in daily youth attendance and a reversal of a 10-year decline in teen participation. And BGCA is more effectively supporting that change. Recently, 80 percent of Clubs reported satisfaction with national office support, an 18 percent increase since 2013.

Tuck gives all credit to BGCA. “It was an extremely thoughtful, driven leadership team that we got to help be successful,” he says. “For me, one of the joys of working with them was it wasn’t a customer relationship, it was a partnership for impact. We learned from them, too.”

McKeag concurs. “[Our work with BGCA] formed the basis of many of the things I think about with my nonprofit network clients,” says McKeag.

## Not done yet

Seven years later, BGCA is still evolving its operating model to help the network achieve its ambitions. “There’s always going to be evolution,” says Orr, reflecting BGCA’s openness to change.



*Three girls hang out on a basketball court at Day for Kids*

In recent years, the national office has expanded to 500 employees. While BGCA has gotten better at maximizing the capabilities of staff at all levels of the organization, it increasingly seeks outside expertise to complement its staff with Club experience. “Now, at least half of our incoming new talent comes from a variety of sectors so we have the right people we need to drive change—and results.”

Revenues are up for the entire Movement, setting all-time records in recent years thanks in part to a devoted fundraising team that supports Clubs in the field.

Meanwhile, BGCA continues to use data to address Club CEO training and retention, and other changes. “We’ve built some amazing data muscle,” Orr boasts. Case in point: BGCA’s automated National Youth Outcomes Initiative collects data on more than 200,000 youth annually, and is one of the largest privately held datasets on youth in the country. “What we’ve been able to accomplish has been pretty spectacular,” says Orr.



# Janaagraha

*Shaping the future of municipal bonds in India*

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When Omidyar Network proposed working with Bridgespan to Indian grantee Janaagraha, the nonprofit's CEO Srikanth Viswanathan was initially skeptical. "To be honest, my immediate thought was to say, 'why can't we do this ourselves?'" says Viswanathan. "I went into the engagement with a certain degree of cautious skepticism."

A 20-year veteran in the field of urban governance, Janaagraha is highly regarded in India. But the challenge to improve life in India's cities is huge, and growing bigger every day. The McKinsey Global Institute reports India's urban population rose by 230 million between 1971 and 2008—and anticipates that it will rise by another 250 million by 2030, accounting for roughly 40 percent of the country's population.



*Today, Janaagraha CEO Srikanth Viswanathan is called into meetings at the highest levels of government and with the United Nations Development Programme, World Bank, and others. At each of these meetings, he repeatedly draws on the catalytic action items that came out of the organization's study with Bridgespan.*

What's more, the project Janaagraha had identified—catalyzing the use of municipal bonds in India in order to improve financial sustainability and accountability in cities—was complex. India lags far behind other countries in using municipal bonds to finance urban infrastructure development. While the United States and China have municipal bond markets of \$3.8 trillion and \$2.3 trillion, respectively, India has issued just \$200 to \$250 million in municipal bonds. Janaagraha wanted to find a way to realize this untapped potential.

Bharath Visweswariah, director of investments at Omidyar Network India, wanted some new minds on the problem. “What we were looking to Bridgespan for was a fresh external perspective, and the rigor of doing detailed analysis of the problem and framing it appropriately,” he says.

Viswanathan was glad he worked with Bridgespan. “Bridgespan challenged us throughout the engagement,” he says. “In the end, their method and discipline led us to very specific pathways to meet our objective.”

Meanwhile, Bridgespan Partner Pritha Venkatachalam found in Janaagraha a bold and engaged partner. “For us, working with Janaagraha was one of the greatest experiences in terms of collaborative working through all phases of the engagement. Our teams worked in close coordination in both the stakeholder engagement and solution development stages.” The net result of that collaboration is shaping the future of municipal bonds in India.

## Uncovering the barriers

Bridgespan Principal Kashyap Shah explains, “There was tons of literature on the barriers to municipal bonds in India, but no one had

ever taken a deeper look into the root causes for each of those barriers.”

Bridgespan and Janaagraha took that deeper look, interviewing 50 stakeholders, including government officials, regulators, city agencies, investors, and experts. The process pushed both organizations beyond where they had been before.

For example, when Bridgespan sent Janaagraha a list of potential interviewees, Janaagraha added big names to the list, including the urban development minister of India. “These were very senior politicians and ministers,” says Shah. “Honestly, at that point, we were skeptical about how many on the list we could secure interviews with.”

As it turned out, every one of those people agreed to an interview.

As they went through the interview process, Bridgespan worked harder than Janaagraha could have imagined. “The level of rigor as part of the stakeholder interviews, the level of preparation that the Bridgespan team brought to the table was stupendous,” says Viswanathan. “We simply couldn't have done it ourselves.”

From those interviews, Bridgespan was able to identify not only the key barriers to municipal bonds, but also four primary solutions. The top two solutions were:

- Building the capacities of city agencies to issue municipal bonds, and
- Creating a marketplace for information sharing and interaction between investors and city agencies.

“For me, more than a body of knowledge, what came out was perspective,” says Viswanathan. “Bridgespan put the different

pieces together that led us to answering the 'so what' question, which is the key for organizations like us."

## A seat at the table

In less than a year, Janaagraha has made impressive strides in acting on the findings of the Bridgespan study. It has engaged with governments and multilaterals for wide-ranging municipal finance reforms. It has also laid the groundwork for an electronic portal on city finances that will connect city agencies and investors.

As government leaders plot the path forward, they are increasingly inviting Janaagraha to lend input. "We feel privileged to engage with governments in this conversation," says Viswanathan.

"For us, success would be having governments act on the action items from our study," he continues. "Government leaders have generally looked at our recommendations positively. So, we are beginning to make an impact, but it's not yet time to declare victory."

## An opportunity for India

It will take years to see how the municipal bond market performs in India, but Janaagraha and Bridgespan are cautiously optimistic. "The seeds of further building out and rejuvenating that market have been sowed by Janaagraha and other players," says Venkatachalam.

Meanwhile, a valuable side effect of the municipal bond process is that it will compel cities to get their financial houses in order. "There's a measure of accountability that comes when public institutions raise capital from markets and are forced to produce more

credible and timely financial information," says Viswanathan.

Viswanathan is hugely positive toward the role for Bridgespan in India to map systems, diagnose root causes of development challenges, synthesize and curate solutions, and build skills and capabilities to implement them. "I think Bridgespan can and must play a leadership role in helping different actors in this sector connect the dots," he says. "This is a big missing link in the development sector in India."

# Building Stronger Nonprofits, One Idea at a Time:

## *Bridgespan's journey from business planning to operating models*

The Bridgespan Group set out 20 years ago to help nonprofits grow stronger and work more effectively. Our commitment to developing practical ways for nonprofits to achieve their missions has remained unchanged even as the social sector has evolved—a reflection of the impact of our research and advocacy.

Initial client demand led us to focus on helping nonprofits develop business plans. Looking back, it's not surprising that business plans commanded Bridgespan's attention in the early 2000s. Few nonprofits had them. The Edna McConnell Clark Foundation,



*"Ten Nonprofit Funding Models," Stanford Social Innovation Review*

Bridgespan's inaugural client, was among the first major funders to recognize the vital role of strategic business planning for its grantees. At the time, nonprofits routinely crafted mission and vision statements, but often they were too broad or aspirational to enable clear decision making regarding programs and resource allocation.

Business planning caught on as funders and nonprofits saw the value in clarifying strategy and goals to align mission statements and programs. We anchored our business plan discussions in two concepts unique to the nonprofit world: intended impact and theory of change.

“Intended impact” states clearly what a nonprofit wants to achieve, and for what it will hold itself accountable. It succinctly identifies what results the organization will accomplish, for whom, and in what time frame. A “theory of change” describes how a nonprofit will marshal its staff and financial resources to achieve its intended impact. Together, intended impact and theory of change form a framework for clarifying the goals and strategy that will achieve a nonprofit’s mission, as described in “Zeroing in on Impact” in the fall 2004 issue of Stanford Social Innovation Review (SSIR). During Bridgespan’s first six years, we collaborated with more than 80 nonprofits to develop business plans. That they soon became the norm validated our work and propelled us to explore a complementary research topic.

Many clients struggled to secure sustainable funding for their ambitious plans. To understand how to take some of the frustration and mystery out of funding, we embarked on a research project that led to the article “Ten Nonprofit Funding Models,” which appeared in the spring 2009 issue of SSIR. It became one of the most popular articles in the publication’s history.



*“Operating Models: How Nonprofits Get from Strategy to Results,” Bridgespan.org*

A funding model is a methodical approach to building a reliable revenue base that will support an organization’s core programs and services. While it is common practice among most nonprofits to seek funding from multiple sources, our research showed that 90 percent of the largest nonprofits have embraced funding models built around a single dominant source of revenue (such as a government agency, corporation, or individual donor).

Different types of nonprofits are suited to different funding models, depending on their mission and programs. Nonprofits that have a clear understanding of their funding model, whether based on a dominant source or multiple sources, are able to focus their development efforts on the most promising funding sources and build the staff expertise needed to identify and cultivate those funders.

Effective business planning and successful fundraising address two of the biggest challenges that nonprofits face. But our client work led us to conclude something

was missing. Many clients struggled with a disconnect between strategy and on-the-ground implementation, especially during periods of growth. In search of a solution, we adapted a mainstream business concept—the operating model—to guide nonprofits in shaping the high-performance structures and process needed to put strategy into action.

The operating model concept took root in the business world roughly a decade ago and now figures routinely in companies' strategy-execution discussions. Over the last several years, we have teamed up with Bain & Company to adapt its business-oriented operating model approach to nonprofits. Bain found that companies rated in the top quartile of operating model performance have five-year revenue growth and operating margins significantly higher than for those in the bottom quartile. Nonprofits stand to gain similar benefits in productivity and impact.

In essence, an operating model defines how a nonprofit works, how it is managed, and how people in the organization interact in service of implementing a strategy. An effective operating model is tailored to support the organization's key decisions

and capabilities—those that are necessary for the strategy to succeed. We published “Operating Models: How Nonprofits Get from Strategy to Results” in 2019 to describe how nonprofits can benefit from examining and updating their own operating models.

As Bridgespan marks 20 years of service to nonprofit leaders and their organizations, now is a good time to reflect not just on how far we have come, but on how our work has contributed to change in the social sector. The progression in our advisory work—from business plans to funding models to operating models—shows how we have evolved both to enhance our impact and in response to the impact we have achieved. As the sector grows and evolves, Bridgespan's goal remains unchanged—to help nonprofits make the world a better place.

# The Campaign to End Chronic Underfunding of Nonprofits:

## *Bridgespan's Journey from the Starvation Cycle to Building Nonprofit Capacity of Nonprofits*

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Funders for years have been aware of the “starvation cycle” that leaves grantees scrambling to cover all of their indirect costs. Mounting evidence of the harm done by underfunding these essential expenditures inspired the presidents of five major foundations to join forces in 2017 to seek a solution. Their collaborative effort led to the development of a menu of approaches to address chronic underfunding of nonprofits’ indirect costs. Bridgespan’s research and advocacy helped to spark and sustain this multiyear effort.

In our client work a decade ago, we frequently heard concerns about unfunded indirect costs, so we invested in research to understand the issue better. That work led to “The Nonprofit Starvation Cycle,” published in Stanford Social Innovation Review in 2009. The article described how funders often had unrealistically low assumptions about grantees’ administrative and operational costs, and nonprofits seldom understood or championed full funding of those costs. In the absence of reliable indirect-cost data, funders typically opted to cap those costs at 15 percent or less.

Underfunding is also a familiar issue globally, which we wrote about in our report, “Stop Starving Scale: Unlocking the Potential of Global NGOs.” When we interviewed more than two dozen NGO leaders in 2012, they identified tight-fisted reimbursement for indirect costs as the biggest obstacle blocking needed upgrades in staff capacity and critical infrastructure. Without adequate support, they struggled to meet their funders’ goals. As one program officer we interviewed for further research on funder collaboratives put it, “This has led to a hollowing out of civil society institutions...at a time when they are critically important.”

Bridgespan’s ongoing research and writing on this topic contributed to a national dialogue on adequate funding for indirect costs. For its part, the federal government rewrote its contracting rules in 2014 to ensure for the first time that all nonprofits receiving federal grant money—either directly or passed through state or local governments—also receive at least 10 percent reimbursement for their overhead costs.

Additionally, the CEOs of the three leading nonprofit ratings agencies—BBB Wise Giving Alliance, Charity Navigator, and GuideStar—launched the “Overhead Myth” campaign with an open letter that called overhead “a poor measure of a charity’s performance” and asked donors to also “pay attention to other factors of nonprofit performance: transparency, governance, leadership, and results.”

In 2016, Bridgespan joined with the presidents of five foundations—Ford, Hewlett, MacArthur, Open Society, and Packard—to dig deeper into the impact of underfunding on the financial health of nearly 300 grantees that account for a third of the combined spending of the top 15 US foundations. Given the prominence of these nonprofits, many of which are household names, the results came as a



“Stop Starving Scale: Unlocking the Potential of Global NGOs,” Bridgespan.org

surprise. More than half (53 percent) suffer from frequent or chronic budget deficits—defined as occurring in at least two of the past five years. And 40 percent have fewer than three months of reserves (specifically, liquid unrestricted net assets) in the bank to cushion financial shortfalls. In fact, 30 of the 300 organizations showed no reserves—making them technically insolvent.

With so many of the nation’s leading nonprofits on shaky financial footing, we proposed a new way to think about funding that supports strong programs and strong organizations. With the Ford Foundation, we developed a simple Grantmaking Pyramid, which rests on a sturdy foundation of essential organizational capabilities, followed by a strong balance sheet, and is capped by delivery of programs that improve people’s lives. We laid out the details in “Time to Reboot Grantmaking,” published by Stanford Social Innovation Review in 2017.

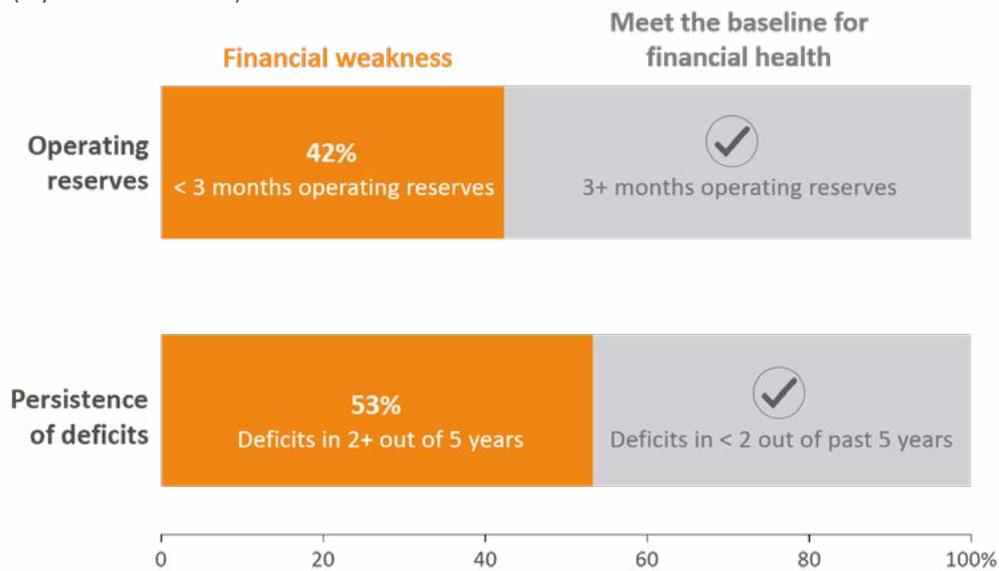
The cumulative evidence of harm done by chronic underfunding laid the groundwork for the five foundation presidents to collaborate on finding a solution. Bridgespan

participated in the collaborative as a facilitator and provided advisory and analytical support. New research among a sample of the funders' grantees showed that their indirect costs exceeded what the foundations actually paid by an average of 17 percentage points.

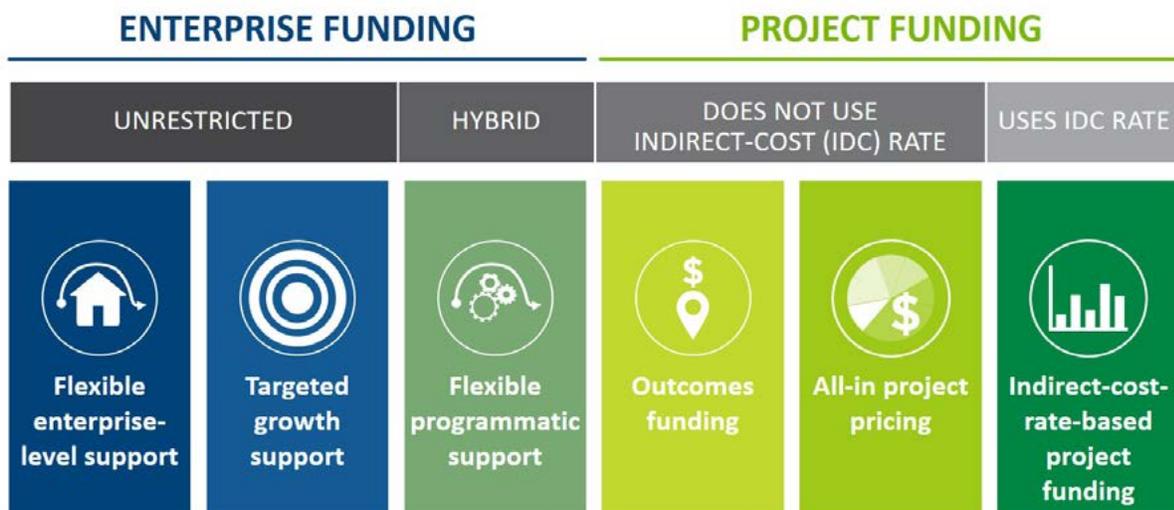
The presidents concluded that project grants, which represent over three-quarters of US foundation giving and nearly all government funding globally, are responsible for most of this underfunding. While project grants are an essential tool in philanthropy, they routinely discount the core administrative

### Financial Health of Highly Co-Funded Grantees

Based on the top 274 most highly co-funded nonprofits of the top 15 US foundations (by endowment)



### Menu of Grantmaking Approaches: Providing Flexibility Across Unique Funder & Grantee Contexts



Source: The Bridgespan Group, 2016 research results with the five foundation presidents

and operational costs of delivering programs and services.

While careful to say that they don't have all the answers, the presidents came to an unprecedented agreement to experiment with a range of solutions, which we detailed in "Five Foundation Leaders Address the 'Starvation Cycle.'" They proposed a menu of six voluntary grantmaking options, ranging from totally flexible enterprise-level grants to project grants that offer sufficient coverage for both direct and indirect expenses. In each instance, the overarching goal is to "do no harm" to the grantee's financial health and ensure coverage of actual costs.

The presidents have pledged to take steps within their own organizations to shape funding policies and practices consistent with the menu of options. They also reached out to peers to join, in their words, "in a collective effort to build stronger, more durable, and more effective organizations." They succeeded in laying out a roadmap for addressing the starvation cycle. Now they seek fellow travelers on the journey ahead.

Concurrently, Bridgespan has committed to working with global funders and NGOs to develop adaptable funding approaches that address indirect costs, taking into account the diversity of national contexts and the on-the-ground needs of civil society organizations. To that end, our Mumbai staff currently is working with innovative funders in India to find solutions to chronic underfunding of that country's NGOs.

Bridgespan's decade-long commitment to ending the starvation cycle has helped to change the sector-wide conversation from defining the problem to advocating for solutions. We will continue on this journey—working alongside the funders, nonprofits, and NGOs—to refine our understanding and champion a range of approaches that cover grantees' indirect costs for delivering vital programs and services.



*"Five Foundation Leaders Address the 'Starvation Cycle,'" The Chronicle of Philanthropy*



# The Rise Fund

## *Impact Investing Takes a Major Leap Forward*

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Not long ago, impact investing was a tricky sell. “There was a sense that there was a trade-off between positive impact and financial return,” Maya Chorenge, co-managing partner of The Rise Fund, explains.

In 2016, private equity firm TPG set out to prove it was possible to both make money and create positive social and environmental impact. From the outset, TPG knew everything it needed to know about making money. But it needed help with the impact piece—specifically rigor around measurement of impact, which had dogged the impact investing industry for years.

Chorenge, who, prior to TPG, co-founded her own impact investing firm, Elevar Equity, knew the challenges of measuring impact firsthand. “We were collecting information like, how many low-income customers is this



*EverFi is another of Rise’s investments- the organization provides financial literacy, sexual harassment and alcohol abuse reduction, and other training at K-12 schools, college campuses, and corporations.*

company touching, what sector is it in. But we weren't going deep and saying, 'If we deliver this product to this low-income customer, is their life actually going to improve? What's the evidence? What confidence do we have that this intervention, this product, this service may make a difference in that person's life?'"

Enter Bridgespan, whose position outside the private equity world was part of its appeal. "We wanted to work with a partner who would be recognized in the market for doing good, having high standards, and having impeccable integrity," says Chorenge.

Bridgespan knew the work would be hard. "For this particular client and the way they make investment decisions, they needed to have hard, quantitative data around impact," says Bridgespan Partner Chris Addy. "Otherwise, it would feel squishy to them and be rejected by their culture."

But Bridgespan was also aware that if it could assist in channeling private equity to help scale high-impact companies, those dollars would go a long way toward solving some of the world's biggest problems.

## **"We all kind of pushed our chairs back..."**

Brainstorming started in early 2016. Building on Jed Emerson's Social Return on Investment and the Sustainability Accounting Standards Board's efforts to explain the positive and negative impacts that matter for a business, the TPG and Bridgespan team sought to build a tool that could calculate whether impact was being achieved. To this end, they discussed methodology, the investment process at TPG, and how to articulate and measure impact. Chorenge offered a sample set of companies from her Elevar portfolio that could serve as test cases to start building the framework.



*Understanding that financial literacy is not as helpful as behavioral change, Rise invested in Acorns, which has created an app with a built-in savings tool that nudges users to invest, save, and spend responsibly.*

Within a few months, Addy, together with Bridgespan team members Alison Kelley, Mariah Collins, and Michael Etzel, came back with an approach. Chorenge remembers the meeting. "There was definitely a moment in the room when we all kind of pushed our chairs back and said, 'This is really interesting.'"

It was not a eureka moment, exactly, but a moment nonetheless. "What the team had done extremely well was to assimilate all of the needs we had expressed," says Chorenge.

The framework required fine-tuning, but by running test cases through it and tweaking it accordingly, the team arrived at an approach that would drive toward a single number for impact. Analogous to multiple of money (MoM) for measuring financial return, it would become what the team called the "impact multiple of money." When The Rise Fund finally launched in 2017, the team was still testing the methodology—now with live deals. "Periodically, we would get a deal that would come through, and it would be sort of

a head-scratcher when we would try to put it through the impact multiple of money,” says Addy. “Such deals led to a lot of learning and improvement.”

For example, take the value of a dollar. “If somebody at the median income in the US gets an extra dollar of income, it’s not going to change their life a whole lot,” says Addy. “If somebody in the bottom 20 percent of the income distribution in Kenya or Bangladesh or Sri Lanka gets an extra dollar of income, every dollar actually has a much greater benefit. We used economic literature to account for the fact that a dollar is worth more to some people than it is to others.”

## HBR, HBS, and beyond

By 2018, the team had worked out many of the kinks and knew its tool could help others. At the start of 2019, the impact multiple of money concept took off. Within a couple short months, Harvard Business Review published the methodology in the article, “Calculating the Value of Impact Investing.” Professors invited team members from Bridgespan, Rise, and impact company EverFi as they taught a case study on Rise and its first investment in EverFi to students at Harvard Business School. And TPG created a new corporation, Y Analytics, to help other investors use this approach.

Meanwhile, Bridgespan’s phone started ringing. In 2019, impact investing accounted for almost 15 percent of the firm’s revenue. Bridgespan is currently piloting a new service line of on-demand impact diligence for investors.

## The real results

When asked to talk about an investment that excites her, Chorengel can’t hold back. “Can I give you two or three?” she asks. She rhapsodizes about Fourth Partner Energy in India, which, with capital and other help from

Rise, has become the leading distributed solar energy provider in India, and is expanding to other countries in Southeast Asia—achieving both financial success and moving the needle on reducing carbon emissions in the developing world.

Chorengel is equally effusive about EverFi, which provides financial literacy, sexual harassment and alcohol abuse reduction, and other training at K-12 schools, college campuses, and corporations. EverFi has incorporated the impact multiple of money into its strategic planning to help decide which new product areas it should pursue. In these cases and others, Chorengel points to two dimensions of success. “What we showed is that, in some cases, positive impact and financial performance are colinear,” she says. “So, the better you’re doing on impact, the stronger a business you’re building over time.”

Rise’s success has opened up a vital artery for equity to impact companies. “They were the first impact investing fund that was global and over a billion dollars,” says Addy. “And now a number of their peer private equity firms are also launching impact funds that are billion-plus funds. When Rise launched, nobody else had done that, and now it has become the norm. Thanks to the work of many, including the International Finance Corporation, Impact Management Project, and our work with Rise, having a really high bar and being rigorous about the way you think about impact is also becoming the norm.”

# Publications & Media

We collaborate with a broad range of social sector leaders to develop and share ideas, tools, and insights that can drive breakthrough social impact.

# Our Top Articles of 2019



## Becoming Big Bettable

Social change leaders can create more investment opportunities that can transform the world by following these guidelines



## Five Foundations Address the “Starvation Cycle”

Presidents of five leading foundations are working together to advance solutions to chronic underfunding of their grantees



## Operating Models: How Nonprofits Get from Strategy to Results

Eight best practices for designing an operating model to fit a nonprofit's strategy



## How Philanthropic Collaborations Succeed, and Why They Fail

Funders need to push past politeness and hammer out expectations for how their collective action will create value impact investing



## Eight Steps for Managing Through Tough Times

Eight steps to help non-profits weather economic uncertainty



## Private Sector and Refugees: Pathways to Scale

Five ways the private sector can help support long-term sustainable solutions to uplift refugees and their host communities



## Helping Teachers Support “Whole Learners”

Three nonprofits' approaches demonstrate how to put the powerful practice of empowered teachers into action

# 2019 Bridgespan Publications List

The Bridgespan Group collaborates with a broad range of social sector leaders to develop and share ideas, tools, and insights that can drive breakthrough social impact. A selection of Bridgespan knowledge projects developed during 2019 appears below.

## Major Articles

**Unleashing Philanthropy's Big Bets for Social Change**, *Stanford Social Innovation Review* (Spring 2019 Special Supplement), February 21, 2019

**Becoming Big Bettable**, William Foster, Gail Perreault, and Bradley Seeman, *Stanford Social Innovation Review* (Spring 2019 Special Supplement), February 21, 2019

**Reimagining Institutional Philanthropy**, Alison Powell, Willa Seldon, and Nidhi Sahni, *Stanford Social Innovation Review* (Spring 2019 Special Supplement), February 21, 2019

**Private Sector and Refugees: Pathways to Scale**, Danielle Berfond, Soa Andrian (Bridgespan) and Jiyeon Janice Ryu (IFC FCS Africa) with input and guidance from Jan Schwier (Bridgespan) and Michel Botzung (IFC FCS Africa), Bridgespan online, IFC online, May 12, 2019

**How Philanthropic Collaborations Succeed, and Why They Fail**, Alison Powell, Susan Wolf Ditkoff, and Fay Twersky, *Stanford Social Innovation Review* online, July 10, 2019

**Operating Models: How Nonprofits Get from Strategy to Results**, Marcia Blenko, Leslie MacKrell, and Kevin Rosenberg, Bridgespan.org, August 15, 2019

**Five Foundations Address the "Starvation Cycle,"** Jeri Eckhart-Queenan, Michael Etzel, and Julia Silverman, *The Chronicle of Philanthropy* (Fall 2019 Special Supplement), September 4, 2019,

(full report, Momentum for Change: Ending the Nonprofit Starvation Cycle, on Bridgespan.org)

**Eight Steps for Managing Through Tough Times**, Maria Orozco and Cora Daniels, Bridgespan.org, September 12, 2019

**Helping Teachers Support 'Whole Learners': Going Beyond Academics to Foster Student Success**, Lija Farnham and Aviva Altmann, Bridgespan.org, September 25, 2019

**Operating Models for Nonprofit Networks: Bridging the Gap Between Strategy and Results**, Mark McKeag and Derek Brine, Bridgespan.org, October 24, 2019

## Blogs

"Unleashing Philanthropy's Big Bets for Social Change" (Stanford Social Innovation Review, Spring 2019) includes a range of opinion pieces from social sector leaders about the state of big bet philanthropy, including:

- **Big Bets Are Important. But So Is a Big Heart**, David Callahan (Inside Philanthropy), *Stanford Social Innovation Review*, Spring 2019
- **Big Gift, Big Impact**, Andrew Youn and Matthew Forti (One Acre Fund of the USA), *Stanford Social Innovation Review*, Spring 2019

- **Renewing Common Purpose and Collective Action**, Kathy Calvin (United Nations Foundation), *Stanford Social Innovation Review*, Spring 2019
- **Empowering Nonprofits**, Dan Cardinali (Independent Sector), *Stanford Social Innovation Review*, Spring 2019
- **Hacking the Bias in Big Bets**, Cheryl Dorsey (Echoing Green), *Stanford Social Innovation Review*, Spring 2019
- **Doing More with Big Bets**, Barbara Picower (JPB Foundation), *Stanford Social Innovation Review*, Spring 2019
- **Learning From Competition**, Rebecca Richards-Kortum (Rice 360° Institute for Global Health), *Stanford Social Innovation Review*, Spring 2019
- **From Promising Model to Major Investment**, Nancy Roob (EMCF, Blue Meridian Partners) and Mark Edwards (Upstream USA), *Stanford Social Innovation Review*, Spring 2019
- **Investing in Population-Level Change**, Jim Shelton (former head of the Chan Zuckerberg Initiative’s education division), *Stanford Social Innovation Review*, Spring 2019

The supplement also provides a detailed overview and analysis of big bets data:

- **US Donors’ 2017-2018 Gifts of \$25 Million or More That Targeted Social Change**, *Stanford Social Innovation Review*, Spring 2019
- **Profiles of Big Bets**, *Stanford Social Innovation Review*, Spring 2019

**It’s Really Happening: Watching Impact Influence Capital**, Stephanie Kater, Next Billion, February 25, 2019

**Obstacles and Pathways to Greater Giving for Social Change**, Alison Powell, Susan Ditkoff, and Nidhi Sahni, *National Center for Family Philanthropy*, June 28, 2019

**The Best Time to Say ‘Yes’: How Strategic Planning Can Help**, Vlad Nedelea, Bridgespan.org, July 29, 2019

Bridgespan curated blog perspectives from leaders in the field featured in *The Chronicle of Philanthropy* Fall 2019 Special Section on ending the nonprofit “starvation cycle,” September 4, 2019 (listed above):

- **The Best Solutions Have a Compelling Story Behind Them**, Jeffrey Moore, *The Chronicle of Philanthropy* Fall 2019 Special Section, September 4, 2019
- **The Price of Real Change**, EEllen LaPointe, Sandi Clement McKinley, and Sara Davis, *The Chronicle of Philanthropy* Fall 2019 Special Section, September 4, 2019
- **How Foundations and Nonprofits Can End the ‘Starvation Cycle’**, Andrea Wilson and Hilda Polanco, *The Chronicle of Philanthropy* Fall 2019 Special Section, September 4, 2019
- **Learning Strategic Financial Management From the School of Hard Knocks**, Richard Modest, *The Chronicle of Philanthropy* Fall 2019 Special Section, October 16, 2019
- **How One Nonprofit Prepared for Tough Conversations With Funders**, Josh Solomon and Isa Ballard, *The Chronicle of Philanthropy* Fall 2019 Special Section, September 4, 2019
- **Why Funders Should Pay for the True Costs of Nonprofits’ Work – Not Just the Direct Project Expenses**, Norma Altshuler and Marissa Tirona,

*The Chronicle of Philanthropy* Fall 2019 Special Section, September 18, 2019

- **Five Nonprofit Survival Skills for Managing Low-Overhead Funding**, Eric Walker, *The Chronicle of Philanthropy* Fall 2019 Special Section, October 2, 2019

**The BARR Center: Helping Teachers Connect with Each Other and Their Students**, Lija Farnham and Aviva Altmann, Bridgespan.org, September 25, 2019

**EL Education: Helping Teachers to Foster Learning and Build Character**, Lija Farnham and Emma Nothmann, Bridgespan.org, September 25, 2019

**Equal Opportunity Schools: Helping Teachers Close the Classroom Equity Gap**, Lija Farnham, Bridgespan.org, September 25, 2019

**Does your Operating Model Need a Refresh?**, Leslie MacKrell and Kevin Rosenberg, Bridgespan.org, September 25, 2019

## Short articles

**Quick Start Guide: Develop Future Nonprofit Leaders with 70/20/10**, Meera Chary, Bridgespan.org, January 9, 2019

**Three Steps to Creating an Inclusive Development Culture**, Meera Chary, Bridgespan.org, January 17, 2019

**How to Lead Effective Nonprofit Executive Team Meetings**, Libbie Landles-Cobb, Bridgespan.org, January 24, 2019

**How to Foster a New Era in Social Change**, Jeff Bradach and William Foster, Social Investor, February 28, 2019

**How The Mockingbird Society Crafted Its Theory of Change**, Meera Chary and Hickory Gateless, Bridgespan.org, February 26, 2019

**How to Support Effective Dynamics in Nonprofit Executive Teams**, Kirk Kramer and Peter Thies, Bridgespan.org, February 27, 2019

**From Transactions to Relationships**, (PDF only), Susan Wolf Ditkoff, Private Asset Management, March 12, 2019

**How to Integrate Diversity, Equity, and Inclusion into Everyday Operations**, Maria Hernandez, Bridgespan.org, March 25, 2019

**Bonnie Hunter: From Program Manager to Director of Talent and Innovation**, Meera Chary and Bonnie Hunter (North York Community House), Bridgespan.org, May 1, 2019

**Two Ways to Align Talent Development with Your Equity Goals**, Meera Chary, Bridgespan.org, June 25, 2019

**When Social Change Requires Behavioral Change**, Niloufer Memon and Pritha Venkatachalam, Stanford Social Innovation Review online, July 15, 2019

**How to Build Competency-Based Professional Development Plans**, Bridgespan.org, October 29, 2019

**Get a Jumpstart on Your New Year's Resolution to be a Better Leader**, Madeleine Niebauer (Founder and CEO of vChief Virtual Chief of Staff Service), Bridgespan.org, November 21, 2019

**How to Navigate Through Tough Times**, Maria Orozco and Cora Daniels, Philanthropy Journal, December 17, 2019

**See, Engage, Act: Leading an Equitable Organization**, LaShawn Routé Chatmon

(Executive Director, National Equity Project), Bridgespan.org, December 17, 2019

## Op-Eds

**Why Isn't Philanthropy Investing in Urban Slums?**, Maddie Holland and Sonam Agrawal, India Development Review, February 20, 2019

**Why is There a Collective Silence Around Capacity Building?**, Amit Chandra (Bain Capital, Mumbai) and Pritha Venkatachalam, India Development Review, June 26, 2019

**Working With Adivasi Peoples, Instead of for Them**, Anamika Ashish and Varun Behani, India Development Review, August 14, 2019

**The Future of Philanthropy: When the Art of Giving Will be about Solving**, Soumitra Pandey and Pritha Venkatachalam, Live Mint, October 4, 2019

**Are Women Less Philanthropic Than Men?**, Alexander Amstrup and Pritha Venkatachalam, India Development Review, December 4, 2019

## Knowledge at a Glance



60

**Publications**



62,800

**Newsletter  
Subscribers**



67

**Conferences &  
Webinars**



Made the  
“Top 10 Most  
Popular  
SSIR Articles  
of 2019” list



# Bridgespan in the News



### The Age of Moonshots

Quotes Bridgespan’s Jeff Bradach in describing the role that philanthropy can play in pursuing “long-term moonshot solutions” to complex social problems.



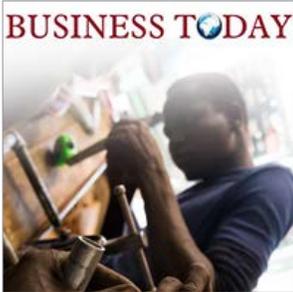
### Nonprofit Prophet: Bridgespan Group Co-Founder Seeks Social Impact

Executive Profile on Jeff Bradach by Carolyn Bick.



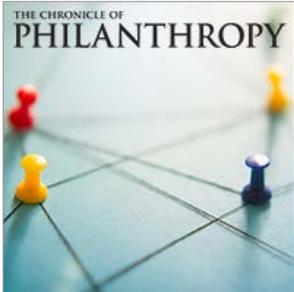
### The Future of Philanthropy: When the art of giving will be about solving

Soumitra Pandey and Pritha Venkatachalam of Bridgespan’s Mumbai office write about philanthropy’s potential as wealthy donors vow to give back more to society.



### Report: Equity Bank Promotes Financial Inclusion of Refugees

Recognizes Equity Bank’s efforts in IFC and Bridgespan’s report, “Private Sector & Refugees: Pathways to Scale.”



### Five CEOs of Wealthy Foundations Pledge to Do More to Help Charities Pay Overhead

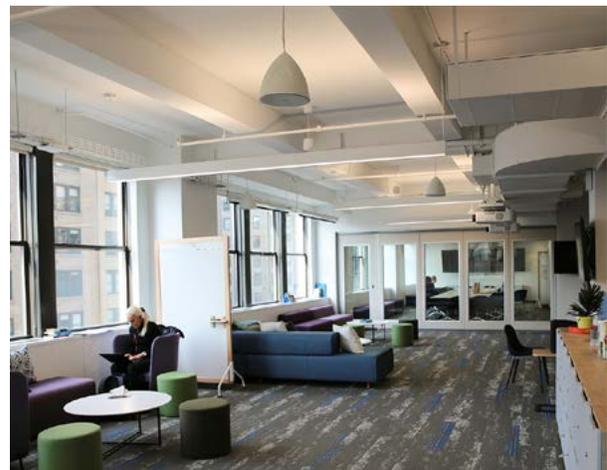
Mentions Bridgespan’s article, “Five Foundations Address the ‘Starvation Cycle.’”

# What's New

In 2019 we launched the Bridgespan Africa Initiative, moved our New York office, welcomed a new Fellow, and strengthened our organization with a wave of new talent.

# Bridgespan New York's Office Move

In the summer of 2019, Bridgespan New York officially packed up and moved a few blocks to a beautiful new space. Thank you to all the Bridgespanners who dedicated so much time and effort to making this move happen! From our incredible IS team, to the decorating committee, this was no small task.



WHAT'S NEW

# Bridgespan Africa Initiative Launches

The Bridgespan Africa Initiative is an endeavor aimed at exploring how to best help mission-driven organizations across Africa to improve their strategy, leadership and outcomes. Building on 20 years of experience working with global nonprofits, NGOs, and philanthropy, Bridgespan has formed an exploratory team to investigate how and if Bridgespan’s knowledge and services can positively impact the effectiveness of philanthropy and NGOs focusing on inequality and poverty in Africa.



## We Welcomed a Fellow



### Mauricio Lim Miller

February - June 2019

**Fellowship Goal:** To explore opportunities for philanthropy to support peer-driven change.

**Fellowship Publication:** *When Peers Work Together to Drive Social Change*, *Stanford Social Innovation Review*, Summer 2020

# Meet the New Board Members



## Nitin Nohria

Dean of Harvard Business School

Nohria, who has been Dean of the Harvard Business School (HBS) since 2010, is also the George F. Baker Professor of Administration. He has contributed to over 16 books on topics including human motivation, business history, leadership, and corporate transformation and accountability, and has authored numerous other publications. Additionally, Nohria sits on the board of directors of Massachusetts General Hospital, is an advisor to BDT Capital Partners, the Piramal Group, and Tata Sons, and is on the advisory board of Akshaya Patra.

According to Dean Nohria: “It is an exciting time to join the board of The Bridgespan Group, especially as it expands its work globally and in impact investing. Helping businesses engage more deeply in their communities benefits society, and I hope my experience will contribute to Bridgespan’s efforts to strengthen this vital sector.”



## Julia Lopez

Former president and CEO of College Futures Foundation

Julia Lopez is a widely respected leader with broad and deep experience in philanthropy and social change. Her work at College Futures Foundation focused on helping qualified low-income students in California to attend and graduate from college. Previously, she served as the Senior Vice President of the Rockefeller Foundation, providing oversight, management, and evaluation of the foundation’s strategic grantmaking program globally, and as director of the foundation’s Working Communities program. She currently serves on the board of KQED and The Christensen Fund, and two education-focused organizations: California Competes and One Future Coachella Valley.

Said Lopez, “I am looking forward to working with the board and staff of Bridgespan, which has been an advisor to so many of the most significant nonprofit leaders and philanthropists seeking to break the cycle of poverty. Bridgespan’s commitment to sharing what it learns with much broader audiences is also vital, as so much important work is done by relatively small, community-based nonprofits. I am eager to contribute to their work.” contribute to Bridgespan’s efforts to strengthen this vital sector.”

# Culture, Awards, & What Our Colleagues Say



*New Hire Training - Boston*



*Rock Climbing - Mumbai*



“What I have come to appreciate the most about Bridgespan is that, as a team, we are so focused on helping our clients have real, significant impact on their clients and communities. We are not interested in abstract thought exercises or recommending strategies that our clients cannot implement and realize the intended results.”

**Butch Trusty**, Partner



*Women's March - New York*



*Happy Hour - San Francisco*

“Bridgespan has been the most incredible place to start my career. I am able to learn from and with brilliant, passionate, kind colleagues and clients every day, while also feeling like I have a voice in shaping what we want future Bridgespan to be.”

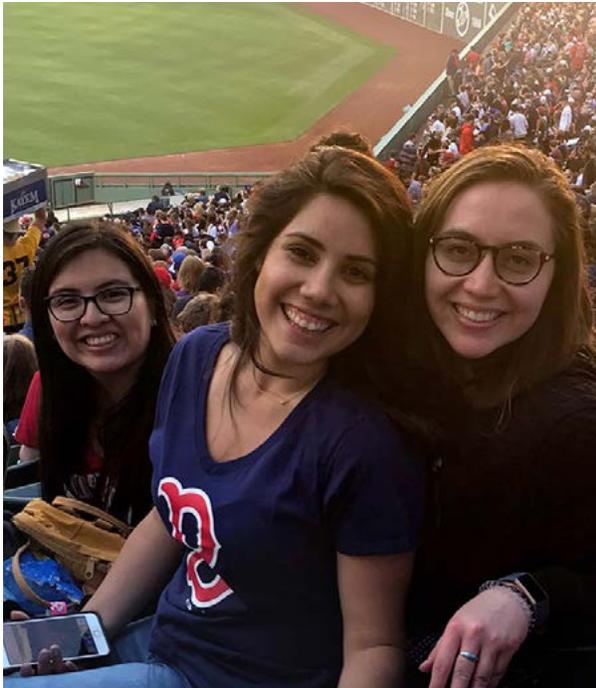
**Alex Williams**, SAC





“What keeps me at Bridgespan is how much we are constantly trying to get better, individually and collectively. Our pushes on racial equity, global mindset, and knowledge sharing between changemakers and capital holders not only makes our work better, but it allows us to have more true impact in the world.”

**Anum Qadir**, Consultant



*Red Sox Game - Boston*



*Celebrating Independence Day - Mumbai*



*Thanksgiving - Boston*

“I’m constantly amazed by my colleagues: their commitment to impact, openness to both challenge and learn from others, and ability to do the work with a spirit of joy and empathy. We are tackling some of society’s toughest issues, and I feel lucky that I get to do this work with such an inspiring group of folks.”

**Pamela Hung**, Consultant



“I deeply value the opportunity to collaborate with such thoughtful colleagues at Bridgespan. It has been inspiring to learn from them and realize the impact we can have together.”

**Britt Savage**, Consultant

“I never cease to be inspired and humbled by my extraordinary colleagues at Bridgespan. They are whip smart, passionate, compassionate, and restless to always improve. Best of all, it seems like each one of them is on a journey to live a life that is ever more consistent with their values. What a group of co-travelers!”



**Rohit Menezes**, Partner



“To work alongside Bridgespan’s portfolio of clients is truly a gift. The stubborn inequities that persist in our society are deeply frustrating and often feel insurmountable. The leaders we work with have a steadfast vision and dedication to changing our world for the better. I find that not only inspiring but motivating to do all I can to support them in their efforts.”

**Lauren Shaughnessy**, Manager



*Charitable Auction - Boston*



*Twinning - Mumbai*

“I graduated from graduate school eager to develop as a strategist and gain deeper expertise about how to advance outcomes in the social sector. Working at Bridgespan has been an incredible opportunity to deploy and develop deep strategic problem solving skills while partnering with organizations and philanthropists striving to disrupt the societal factors that perpetuate intergenerational poverty.”



**Jenelle Harris**, Case Team Leader

# What Our Clients Say



“One of the best things I did as I transitioned into my new role was to hire Bridgespan for help with our strategic plan. They are the best strategic thinkers in our field!”

**Jonathan Greenblatt,**

CEO and National Director, Anti-Defamation League (ADL)



“For me, more than a body of knowledge, what came out was perspective. Bridgespan put the different pieces together that led us to answering the ‘so what’ question, which is the key for organizations like us ... Bridgespan challenged us throughout the engagement. In the end, their method and discipline led us to very specific pathways to meet our objective.”

**Srikanth Viswanathan,**

CEO, Janaagraha



“So much of what we had to do, and what all nonprofits have to do, particularly in the beginning, is prioritize the urgent over the important. We were running hard, building a plane as we flew it. [Working with Bridgespan] gave us the chance to focus on the important. Here we had a set of really talented, thoughtful, analytical and, even more so, experienced people to help us look around the corner and force us to answer some questions that we just hadn’t spent the time to think about.”

**Mark Edwards,**

Co-Founder, Upstream



“[They are] incredibly hard-working (do what it takes), thorough (want to get it right), easy to get along with (people I enjoy working with), talented (very skilled in asking the right questions, presenting, compiling lots of information in a concise manner, and utilizing technology), and most of all, they can help you (as a provider) think ‘outside the box’ and can walk you through strategic planning step-by-step. They make a very complicated process feel much easier!”

**Catherine Smith,**

Managing Director, Business Planning & Policy, Youth Villages

# Appendix

# Our Mission & Values

## Our Mission

We work to build a better world by strengthening the ability of mission-driven organizations and philanthropists to achieve breakthrough results in addressing society's most important challenges and opportunities.

## Our Values

### Impact

We value performance and results. We set and hold ourselves accountable for high standards.

### Respect

We listen to and learn from our clients, funders, and one another. We value diverse perspectives and strive to incorporate them in our work. We act with humility, certain we have as much to learn as to contribute.

### Candor

Good choices are grounded in good information. We value facts and feedback, speak our minds, and understand that hard choices and difficult trade-offs are often necessary.

### Collaboration

We work as a team within The Bridgespan Group and with our clients. We share what we know and try to align our efforts with those of others who are dedicated to achieving social impact.

### Passion

We are committed to making a difference through our work. We seek to understand what can be, not simply what is.

# Board of Trustees

The Bridgespan Board of Trustees includes distinguished leaders from diverse fields in the for-profit and nonprofit sectors.

**Bob Bechek**

Partner, Bain & Company

**Fred Blackwell**

CEO, The San Francisco Foundation

**Jeffrey L. Bradach**

Managing Partner and Co-founder,  
The Bridgespan Group

**Steve Denning**

Chairman, General Atlantic

**John Donahoe**

CEO, Nike

**Cheryl L. Dorsey**

President, Echoing Green

**Steve Ellis**

Managing Partner, Texas Pacific Group

**Kara Gruver**

Partner, Bain & Company

**Greg Gunn**

Co-founder, Lingo Ventures

**Julia Lopez**

Former President and CEO,  
College Futures Foundation

**Nitin Nohria**

Dean of Faculty, Harvard Business School

**Mark Nunnally**

Former Secretary of the Office of  
Technology Services and Security,  
Commonwealth of Massachusetts

**Rebecca Rimel**

Senior Advisor and Emeritus Trustee,  
The Pew Charitable Trusts

**Thomas J. Tierney**

Chairman and Co-founder,  
The Bridgespan Group

# 2019 Funders, Supporters, and Financials

We are indebted to the funders who support Bridgespan. Grants from these organizations and individuals have been committed to our leadership work, to our knowledge work, and to discretionary funds earmarked for clients that might otherwise be unable to engage our services. (Includes grants for which revenue was recognized in 2019)

## The Bridgespan Group Funders 2019

Bain & Company

Mark Nunnally and Denise Dupré

Bill and Melinda Gates Foundation

The Lynch Foundation

Fidelity Charitable

### Chicago

John Donahoe

Barb and Ted Rouse

Steve Denning

Deborah and Steve Quazzo

The Atlantic Philanthropies

Krehbiel Family

The Edna McConnell Clark Foundation

Mary and Paul Finnegan

The Hewlett Foundation

Polk Bros. Foundation

The JPB Foundation

Prtizker Foundation

The Omidyar Network

The Pritzker Traubert Family Foundation

The Robertson Foundation

Tim Schwertfeger and the Best Portion Foundation

The W.K. Kellogg Foundation

## Leading for Impact Funders

### Seattle

#### Boston

The Seattle Foundation

Anita and Josh Bekenstein

Ballmer Group

Anonymous (1)

Bill Lewis

Barr Foundation

Raikes Foundation

Laurene and Scott Sperling

Evelyne Rozner and Matt Griffin

Kathy Surace-Smith and Brad Smith

Maggie Walker

## **The Bridgespan Group Funders 2019**

### **Leading for Impact Funders**

#### **Washington, D.C.**

Anonymous (1)

Meyer Foundation

Lisa and Josh Bernstein

The Case Foundation

Wendy Goldberg

Don Graham

Rob Stewart

Frank Williams

Mary Menell Zients

## **The Bridgespan-Bain & Company Partnership**

Bridgespan and Bain & Company are separate, independent organizations with no legal affiliation; however, the close relationship between the two has been a key factor in Bridgespan’s history and development. In addition to having incubated Bridgespan and committing more than \$10 million in seed capital and ongoing grants—plus essential infrastructure support—Bain generously offers Bridgespan employees access to its intellectual capital and thought leaders. In turn, Bridgespan hosts Bain consultants for six-month externships. We also are privileged to have Bain senior management team members serving on our Board of Trustees.

# 2019 Financials

## Statement of Activities

Audited Financials - 2019

*Dollars in thousands*

	Unrestricted	Temporarily Restricted	Total
<b>Revenue, Grants and Other Support</b>			
Consulting Fees	41,507	-	41,507
Grants	-	12,498	12,498
Assets released from prior restriction	16,607	(16,607)	-
Interest and other income	2,190	-	2,190
<b>Total Funding</b>	<b>60,304</b>	<b>(4,109)</b>	<b>56,195</b>
<b>Expenses</b>			
Salaries and Benefits	41,301	-	41,301
General Office	7,690	-	7,690
Occupancy	3,605	-	3,605
IT	1,472	-	1,472
<b>Total Expenses</b>	<b>54,068</b>	<b>-</b>	<b>54,068</b>
<b>Change in Net Assets</b>	<b>6,236</b>	<b>(4,109)</b>	<b>2,127</b>
<b>Net Assets at beginning of year</b>	<b>25,588</b>	<b>22,072</b>	<b>47,661</b>
<b>Net Assets at end of year</b>	<b>31,824</b>	<b>17,963</b>	<b>49,787</b>

# 2019 Financials

## Statement of Financial Position

*Dollars in thousands*

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
Cash and Cash Equivalents	10,948	6,931
Cash and Cash Equivalents - Use Restricted	3,656	10,614
Accounts Receivable	7,042	7,525
Unbilled Work in Progress	3,181	133
Grants Receivable	14,707	11,457
Prepays and Deposits	1,685	1,695
Investments	9,107	6,637
Certificates of Deposit	13,815	14,135
Property and Equipment, Net	4,608	4,474
<b>Total Assets</b>	<b>68,749</b>	<b>63,601</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	4,383	4,355
Deferred Rent and Lease Incentives	2,484	2,576
Deferred Compensation	8,012	6,320
Deferred Revenue	4,083	2,689
<b>Total Liabilities</b>	<b>18,962</b>	<b>15,940</b>
<b>Net Assets</b>		
Unrestricted	31,824	25,588
Temporarily Restricted	17,963	22,072
<b>Total Net Assets</b>	<b>49,787</b>	<b>47,660</b>
<b>Total Liabilities and Net Assets</b>	<b>68,749</b>	<b>63,601</b>

The Bridgespan Group is a nonprofit 501(c)(3) organization.

# Diversity, Equity, & Inclusion Commitments

At Bridgespan, our vision for a society characterized by equity and justice manifests as a commitment to diversity, equity, and inclusion. Racial equity lives at the center of this commitment, given the intersections of race and racism with inequity and injustice in the US and globally. This commitment increases the impact we have with our clients, strengthens our teams, and aligns with our values.

- **Impact:** Take an intentionally anti-racist approach to our work
- **Collaboration:** Seek proximity to, partner with, and learn from experts and communities
- **Candor:** Locate ourselves within systems and be self-aware of our own role as an organization and individuals in perpetuating racism
- **Respect:** Take an asset-based approach to our work with communities of color
- **Passion:** Relentlessly focus on a vision of justice, and be brave to pursue this vision



*BABs LATBA API Summit in Atlanta*

Bridgespan’s racial equity strategy rests on four intersecting pillars.



### Right Work

How we seek to confront issues of structural discrimination and inequity through our work.



### Leadership

How we invest in educating our management team around topics of racial equity.



### Right Team

How we work to have Bridgespan reflect the diversity of the broader community.



### Culture

How we provide resources to support all employees in their racial equity journeys.



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