



Better health through better philanthropy



VIEWS FROM THE FIELD

How Foundations Can Accelerate Health System Improvement by Investing in Capacity Building Across Sectors

LORI PETERSON, *Chief Executive Officer, Collaborative Consulting*

ERICA SNOW, *Portfolio Director, The Colorado Health Foundation*

SHIRIN VAKHARIA, *Program Director – Health & Aging, Marin Community Foundation*

How Foundations Can Accelerate Health System Improvement by Investing in Capacity Building Across Sectors

May 2018

Lori Peterson, Chief Executive Officer, *Collaborative Consulting*

Erica Snow, Portfolio Director, *The Colorado Health Foundation*

Shirin Vakharia, Program Director – Health & Aging, *Marin Community Foundation*

“Never dismiss a problem that seems impossible to solve,” said inventor David Levy. What we might add, though, is that the problems that seem impossible at first are often the most interesting to tackle. At a time when the health care system is facing a host of challenges, many with attributes that are impossible to solve alone, we see organizations from across the health and social sectors combining their skills and expertise through interesting **partnerships to crack the “impossible”** together.

Just as the complexity of the challenges facing the health care sector demands a new strategy like **cross-sector partnering**, that strategy itself demands a new kind of intervention from the health philanthropy community. With growing attention being put toward the need for functional **cross-sector partnerships, the gap is amplified between organizations’ good intentions** for partnering and their suited capacities and skills to do so. This presents an emerging opportunity for foundations interested in accelerating health system improvement: intervene early and commit resources toward stewarding capacity-building initiatives. This will be in service to the sector leaders that will ultimately need the skills to design and implement productive, long-lasting cross-sector partnerships.

When foundations layer capacity building on top of traditional funding, they position the organizations they support to make greater contributions to cross-sector partnerships and the goals these partnerships aim to achieve.

Ask a funder with a thriving portfolio of programs aimed toward improving health system performance, and they will likely tell you that the most successful initiatives are executed by organizations with the necessary skills and expertise to deliver. But the capacities required to deliver effective cross-sector partnerships do not always come naturally to organizations that have been operating in an environment that favors individual organization incentive versus whole system incentive, and it will take time to develop the culture and elements that translate into partnership readiness. And while it will take time for organizations to mature their partnership readiness, the funding approach to capacity building requires a rethink on the part of foundations.

Meet three foundations that reflected on their funding strategies and shared the conclusion that to activate their own long-term aspirations, it would be critical to invest in building new partnership capacities within the organizations they fund. Each of these foundations invested in multiyear, multifaceted capacity-building initiatives designed to maximize the learning gained through each initiative, but also customized to meet their own specific objectives.

- [The SCAN Foundation](#), an independent public charity devoted to transforming care for older adults in ways that preserve dignity and encourage independence, created a capacity-building initiative called The Linkage Lab, which helped two cohorts of California-based community organizations develop leadership and business acumen to prepare for, design, and implement cross-sector partnerships.
- [The Colorado Health Foundation](#), helping Coloradans live their healthiest lives by advancing opportunities to pursue good health and achieve health equity, replicated the Linkage Lab model, as they discovered the approach also suited the needs for increased integration of long-term care **services within the health care system. The Colorado Health Foundation's Linkage Lab provided** a diverse group of community-based organizations with an 18-month program to develop their capacities as partners for health care providers and payers.
- [The Marin Community Foundation](#), a place-based funder that recognizes good health starts long before one needs medical care, tailored its own capacity-building initiative to address its unique local market dynamics by bringing together a multi-perspective design team who created a three-year initiative called Accelerating Business Capacity of Aging Service Providers. The initiative is aimed towards readying a group of five community-based organizations for partnership opportunities with local health care organizations.

How have these different foundations succeeded in realizing their potential as capacity-building funders? Here are four elements they share that you can put into practice as a grantmaker in health:

1. [Design your capacity-building initiative](#) with an understanding of the current status and with a clear vision of what could be. It is important to possess a strong understanding of what it takes to be a capable partner in a cross-sector partnership and the areas where your grantee(s) need the most support, as well as what market conditions are needed to foster the strategy of cross-sector partnering. As you design your capacity building initiative, first get clear on your objectives and then align the criteria for grantee selection and participation. Following these decisions, consider the capacity-building areas of focus and methodologies for delivery that are most fitted to advance your grantees. A robust initiative will incorporate essential areas of capacity-building focus, such as organizational adaptability and change readiness, leadership, operations, financial and business acumen, service redesign, technology systems and data literacy. A robust initiative will also utilize a combination of methodologies such as peer-to-peer learning,

access to consulting expertise and coaching, experiential learning, convenings to facilitate dialogue between the sectors, and educational sessions.

2. Get comfortable with the fact that capacity-building initiatives take time to yield results. **Think of this as the old “give a man a fish or teach a man to fish” adage; the latter option takes more time but produces more long-term value.** Go in with the determination to pursue your capacity-building objectives for long periods of time and keep your long-term aspirations in mind through the ups and downs.
3. Leverage your strengths as a foundation. As a foundation, you possess unique knowledge of the communities you serve, have strong leadership and credibility, can bring together influential organizations to collaborate on health system goals, and have skills in research that enable forecasting the trends to identify promising strategies. Consider the areas where your foundation shines and look for ways to use these strengths in the design and delivery of your capacity-building initiative.
4. Achieve greater gains with more collaboration. If a problem in the health system seems impossible to solve, especially as an individual funder, look for collaborators to help you design a unique solution. Each of our example foundations recognized the power of collaboration to achieve more and partnered with multiple organizations to support the [Aging and Disability Business Institute](#), which is designed to accelerate the widespread distribution of tools, expertise, and resources in the pursuit of the shared goal of enabling cross-sector partnerships.

Because of the capacity-building initiatives funded by our three example foundations, 25 community-based organization grantees have now learned more about the challenges facing the health care sector and have developed new skills and capacities to position themselves as capable partners. Many of these organizations are now actively engaged in cross-sector partnerships, tackling health and social challenges that affect their communities—such as reducing the average length of hospital stays for homeless patients in a community, lowering the total cost of care by transitioning patients out of institutionalized settings and back into the community with enhanced community based services—and developing a new model of care that assimilates a network of health care providers and community-based organizations to strengthen community health initiatives.

Foundations are in a prime position to see the greater system of health, because they are removed from the delivery of direct services yet highly invested in the populations they serve. Foundations interested in accelerating health system improvement can embrace capacity-building initiatives to effectively convene the health and social sectors. We may be amazed to see what becomes possible when more organizations develop their capacities to be strong partners for a better system of health.

GRANTMAKERS IN HEALTH

Better health through better philanthropy

1100 Connecticut Avenue NW, Suite 1200
Washington, DC 20036
phone: 202.452.8331 | fax: 202.452.8340