

LEARNING BRIEF: GRANTMAKING WITH SYSTEMS THINKING

By Amy B. Dean



LEARNPHILANTHROPY



Powered by the Johnson Center for Philanthropy



You've probably heard the terms **systems thinking** or **systems approach** before. What do these terms mean? Can you be a smaller grantmaker with limited resources and still effectively use a systems approach?

At the Management Assistance Group, we believe it's the grantmaker's mindset and intent that defines systems grantmaking. We developed this Learning Brief to help answer these questions and to give some guidance on how foundations, whether small or large, can start using a systems approach in their philanthropy.¹



¹This Learning Brief is based on the *Systems Grantmaking Resource Guide*, co-created by Grantmakers for Effective Organizations and Management Assistance Group and was produced with funding from the David and Lucile Packard Foundation. View the guide at <http://systems.geofunders.org>.



We believe that embracing systems thinking can help the philanthropic sector be much more effective in promoting the type of changes we'd like to see in the world.

Here we present four points to help smaller grantmakers, in particular, get started:

1 What is systems thinking?

The social problems that changemakers confront can often appear intractable.

Systems thinking is a mindset or framework that allows groups to better map, articulate, and understand the challenges we face today.

It recognizes that practitioners and funders may only be able to make cosmetic changes in their areas of focus if their interventions fail to account for the complex web of relationships that their campaigns are enmeshed within.

Systems thinking focuses on interconnectivity and how we influence the change we want to see.

2 How does this apply to social grantmaking?

Since it grows out of the natural sciences, we have found that grantmakers new to the systems field can have a hard time wrapping their heads around how it applies to organizations, institutions, and in other social contexts. But we believe that it's worth understanding what systems thinking has to

offer, because even small grantmakers can use it to leverage limited resources in ways that have powerful multiplying, innovative, or ripple effects.

It is the grantmaker's mindset and intent that defines systems grantmaking – not any specific tool:²

- Systems grantmakers seek to understand the dynamic nature of a continually evolving system that is more than the sum of its parts.
- Systems grantmakers do not believe that pulling a lever will necessarily lead to a specific outcome.
- Systems grantmakers look for patterns in systems but do not expect these patterns to stabilize over time.
- Systems thinkers take a continuous learning, experimental, and adaptive approach.
- Systems thinkers collaborate with and engage a diverse set of stakeholders (including those who are directly affected by the system).
- Systems thinkers are aware of their own power and identity and understand the different amounts and types of power among groups.

Systems thinking often emphasizes visual aids to help stakeholders appreciate the wide scope of a problem, allowing grantmakers to more readily see the social interactions and power dynamics that produce seemingly

²This line is taken verbatim from the *Systems Grantmaking Resource Guide*, co-created by Grantmakers for Effective Organizations and Management Assistance Group and was produced with funding from the David and Lucile Packard Foundation.



intractable conflicts. It also allows them to navigate the complexity of the broader context, different perspectives, and relationships. Moreover, it sets the stage for larger conversations about ways to shift roles, power, and resources in order to create more equitable outcomes.

3 What is a real world example of systems grantmaking?

Imagine you are trying to fight a famine. There's an obvious problem to be tackled: people are hungry. There also seems to be an obvious solution: feed these people by shipping food to the site. But this deceptively simple analysis is self-defeating. Charging ahead without considering the larger context may allow you to address the famine in the short term. But it may also flood the market with cheap foodstuffs that drive down the price of local agriculture, incentivizing farmers to plant other crops, and ensuring the famine may be even worse when the charity dries up. And if the context changes — for instance, if famine is magnified by war — it may cause other unintended problems.³

Systems thinking helps grantmakers to avoid some of the unintentional consequences that can result from viewing a project in isolation, without adequate context.

For grantmakers, new applications of systems thinking could not come at a more propitious time. Foundations, nonprofits, and local governments are operating within a context that is more complex and under-

resourced than ever before. No one can afford to waste money on interventions that do not work in the long term. If we are going to rebuild social structures that work for our organizations and their constituencies, we need to first understand the web of interrelations that create difficult problems — and bring together the systemic actors needed to overcome them.

4 How can smaller grantmakers utilize a systems grantmaking approach?

Smaller funders are often nimble and adaptive, which lends towards being able to get up to speed on systems grantmaking quickly and easily. Because of their size, smaller funders can hold internal learning sessions on systems change and systems thinking, develop new grantmaking strategies and processes that are grounded in systems approaches, train their staff to use different systems grantmaking tools, and develop grantmaking initiatives that experiment with systems change processes.

5 What tools are available in the Systems Grantmaking Resource Guide?

The *Systems Grantmaking Resource Guide*, co-created by Grantmakers for Effective Organizations and the Management Assistance Group, was created in service to organizations that are trying to advance a systems approach. It is designed to be accessible to grantmakers of all sizes and

³Adapted from an example presented by David Peter Stroh in *Systems Thinking for Social Change*.



to funders working in a range of areas. The guide is the product of over 30 individual interviews and the review of 175 websites, articles, and books, surveyed in an effort to collect the best tools for systems work in one location. Examples of tools that are well-suited for smaller grantmakers are:

Collaboration Muscles and Mindsets:

Starting to use a systems approach can be as simple as changing your mindset. This tool shows how to adopt a working approach to addressing complex social problems. It requires setting aside about an hour per week for twelve weeks with your organization's grantmaking staff. Through "muscles and mindsets," group members consider how different systems thinking ideas might apply to their work — and it allows them to identify the more advanced tools that might be most useful to employ as a next step.

Landscape Scans:

These tools help groups to take a snapshot of a system at a single point in time. Rather than looking at a single project in isolation, it considers the other actors working on the problem — and what stakeholders might be

missing that would make social sector work more effective. It considers the history of past interventions and the social and political context that might shape the implementation of a new project. Landscape Scans can illuminate gaps in the system, highlight unforeseen opportunities, and clarify key stakeholders and drivers. A scan might be done over the course of a month or several months, depending on the level of participant engagement. The Rapid Realist Review is an example of this type of narrative reporting.

Power Analysis:

This visual mapping technique shows how different stakeholders in a system interact. With this tool users create a graph that charts the stances of both actors who are supportive of a given solution and those who are opposed to it. Moreover, users consider the relative power of different actors in the system. The analysis might be conducted in the course of a single session, or over several weeks. Once completed, the map can help to pinpoint strategic openings and refine an organization's approach to relating with other groups. Ultimately, it can be a helpful means of shifting the balance of power within a system.



Find out where you stand!

1. Use the **interactive Systems Change Self-Assessment** to determine how your organization is working with a systems approach: <http://systems.geofunders.org>
2. Select **"I am a grantmaker"**
3. You will get six questions about your grantee organizations, current grantmaking strategy, and Theory of Change. These questions should take 5–10 minutes to complete.
4. The information is used to generate a customized profile of how you are already using a systems approach and ideas on how you can further enhance your work.

Interested to learn more?

Visit the ***Systems Grantmaking Resource Guide*** to check out the full suite of tools, profiles, and resources for future reading. To learn more, visit: <http://systems.geofunders.org>

Please contact us with stories of your systems grantmaking in action!

About the Management Assistance Group

We co-create the capacities and conditions needed to share resources and power within and across systems in just ways. We provide consulting, coaching, and research services; run innovation labs; and facilitate movement networks and cross-sector systems change initiatives — addressing structures, strategies, hearts and minds.

We have worked with over 1,500 networks, grantmakers, nonprofit organizations, and other social sector actors to bring about a vision where everyone has the opportunity to realize their potential, live life fully and sustain a healthy planet.

To learn more, visit:

www.ManagementAssistance.org

About LearnPhilanthropy

We work with multiple stakeholders, professionals, organizations, and experts to provide a marketplace of knowledge, tools, and online learning for those new to the field of philanthropy.

To learn more, visit:

www.LearnPhilanthropy.org