

Strategy, Budget and Performance Design Team

The design team & the process

The BSP team has been assembled and asked by Chris Stone to think about how strategies might align grant-making with advocacy and other direct operations, how we use budgets to manage our work, and how we assess the value of our activities. The hope is that we will come up with a system that will better support how OSF does its work, and that adequately conveys the information needed at management and board levels to inform good decision-making. The design team is composed of 13 members:

- Ammar Abu Zayyad
- Joe Behaylo
- Marine Buissonniere (Chair)
- Neil Campbell
- Darius Cuplinskas
- Zeljko Jovanovic
- Emily Martinez
- Diana Morris
- Binaifer Nowrojee
- Cathy Ross
- Daniel Sershen
- Ramesh Singh
- Robert Varenik

The design team started meeting in July and has also conducted a series of interviews with other foundations to learn about their approaches to defining strategy, using budgets, and assessing performance. The team has worked throughout the summer to sketch out key features of a possible new framework. These are initial ideas we are presenting to the Global Board and we will also be presenting to staff for comments. The team faces a number of unanswered questions or conundrums that are flagged for feedback and further consideration.

The ideas behind the proposed framework

The proposed framework aims to promote greater coherence among organizational units that allows OSF to marshal tools and resources from across the network in order to increase its impact and be more effective. This framework incentivizes collaboration around core OSF issues by bringing together in a deliberate fashion various strands of the network to work together toward common goals.

The recommendations seek to build on and strengthen those qualities that set apart OSF at its best. In particular, notwithstanding the more unified approach, the process should ensure that OSF responds credibly, flexibly—and where necessary, quickly—to key opportunities and challenges. Alignment of strategic thinking must remain rooted strongly in our deep knowledge of the context and actors where we are working and the issues and movements we are seeking to support. We must retain a willingness to stand behind our partners to add value to what already exists. The internal processes put into place to foster this common framework should be efficient and not duplicative.

Defining OSF-wide strategies

In order to encourage multiple OSF units to work together, there should be a number of collectively agreed organizational-wide strategies.

OSF-wide strategies would represent the key themes for OSF for a designated period (possibly two 4-year strategy cycles). OSF-wide strategies are certain arenas of work around which OSF should come together. These could be grounded around thematic, geographic or specific constituency or targets issues. Ideally,

topics that are selected would emerge from the ground up based on the deep national/regional and thematic expertise that OSF possesses.

This does not mean that all work within the network must fall under OSF-wide strategies. The process, however, would create incentives so that most work would. OSF-wide strategies would be allocated the lion share of available program funds; and, therefore, most funding would only be accessible through a participatory process that brings together multiple units.

- *How will the process ensure that programs doing important work that falls outside OSF-wide strategies are not disadvantaged?*
- *How do we cut duplication to ensure that units do not have to produce multiple strategy plans for their unit and the various OSF-wide strategies that they are participating in?*

Nominating Process

The framework should define a process that would ensure that topics that emerge as OSF-wide strategies have the confidence and buy-in first of the units that would be a part of that strategy and second of the programs that fall outside that strategy.

OSF-wide strategies would be selected on a rolling basis. Senior management would review new initiatives at regular intervals throughout the year. For an issue to qualify as an OSF-wide strategy, it would need to have the following characteristics: relate directly to rights, justice, democratic governance and social inclusion; cut across borders geographically; and impact an identifiable constituency or community.

The process for determining those topics should be clear and manageable. OSF-wide strategies could be determined through a set, in-house process of deliberation of ideas and issues. Early consultations and sharing of intentions among units should be encouraged to foster collaboration around strategy development, rather than only at the implementation phase. Some hybrid model that efficiently allows senior management to act proactively to promote joint strategizing around an emerging or an important issues, but also provides space for units to join together to suggest possible topics would be necessary.

- *How large or small should OSF-wide strategy topics be? Should there be a limit to the numbers of such topics at any given time?*
- *How can we balance the need to have relatively broad themes that touch on several units with the need to link strategies to a clear set of goals and objectives that can be monitored and assessed?*
- *How do we ensure that we do not develop a center/periphery problem where NY based or larger units dominate the process?*

Drafting the Strategy Plan and determining the budget

Following the selection of a particular topic for an OSF-wide strategy, a convening group of representatives from different parts of the network would be selected in consultation with senior management to draft a skeleton of a strategy with key global objectives around which different units add their specificity. The process will need to ensure that a balance is struck in engaging an appropriate mix of capacity on the particular topic with a capacity to manage and shepherd a process. Each unit interested in being part of that OSF-wide strategy will participate in the drafting of its contribution to the strategy through a process of discussion and negotiation. The process should encourage units to make any differences in approach or vision explicit so that they can be addressed as part of strategy development.

At the end of a 4-month process, an OSF multi-year strategy will emerge with a clear set of ideas and initiatives. The strategy would lay out what OSF would aim to achieve; what resources, tools or assets

would be used from across the network; how we would plan to work; and the reasoning which underlies why this way of working will be effective. This strategy would then be presented to senior management for approval. As part of that process, a budget would be developed and approved, along with a coding structure to monitor the implementation of the strategy across units.

Budget

Assigning a budget will be closely related to the strategy development. The total budget amount allocated to each OSF-wide strategy should be sufficient for contributing OSF units each to undertake their part of the strategy. Budget categories will allow for monitoring and tracking expenditures by strategy, and across strategy (by tools, etc).

- *Yet to be determined is how financial allocations would function. Since units are OSF's operational category, budget would likely continue to be assigned to units for their contributions to an OSF-wide strategy.*
- *Will budgets for strategic areas be approved on a rolling basis? What happens to the unit budget submission? Will units incorporate their budget allocations for OSF-wide strategies into their unit budgets for final approval? Or will budgets be approved piecemeal?*

The Innovation fund

In cases where an issue is emerging or an opportunity and does not yet rise to an OSF-wide strategy, one or more units can make a case for use of cross-unit collaboration. An innovation fund could be available to respond to opportunities and challenges that fall outside of the main allocated OSF-wide strategies or to allow the network to enhance its capacity to take on new or emerging issues. Criteria and process will need to be clarified regarding what kind of argument is likely to be successful.

Monitoring and Performance Assessment

As units implement their contributions to the strategy, senior management will convene monitoring reviews at regular intervals (possibly twice a year), as deemed necessary for particular strategies, for involved units. Concerned units and the relevant conveners would attend and present over a 2-3 day period in a structured format designed to elicit genuine debates on tangible progress on the OSF-wide strategy. Following each scheduled presentation, senior management can then make determinations on next steps, including shifts in strategy and budget. Convening committees or coordinating units might request a Mid-cycle review with senior management may also be requested when a strategy requires a substantial recalibration or the allocation of additional resources.

Collaborating units might meet on their own more regularly to ensure various initiatives are coming together appropriately, while at other times monitoring meetings might be a way to check-in and to review progress in advancing the goals set out in the OSF-wide strategy. Expenditure reports that capture the full picture of work across units on a particular OSF-wide strategy would also be regularly shared and would allow different collaborating units to understand how various unit initiatives are unfolding and what resources are being deployed at a given time.

Performance assessment will involve assessing each unit's contribution to the strategy, and the effectiveness of the strategy overall. It will also involve looking at the quality and productiveness of the collaboration across the network and with other outside partners and allies.

Dilemmas and Challenges

- (1) *The framework should lead to the optimal management of the interplay between geographical and thematic logics within the network, and incorporation of functional tools within the strategies. Would OSF-wide strategies tend to the thematic? Could they be geographic? Would they need to be a combination of geographic/thematic and possibly constituent-based?*

For OSF to be relevant, its work must be grounded in the reality of the place and context it is working in. Change takes place in specific geographies, and OSF has gained a lot of credibility among partners and allies in the past by its depth of local knowledge, ability to understand and operate among local contexts, dynamics, and actors. OSF thematic programs have also gained credibility for their expertise in particular themes, their skills and understanding of key issues in the field, key actors, best practice, and important advocacy or policy issues and how these are playing out across geographies. Any organizing philosophy should neither turn our work into a generic drop down menu of themes with a limited range of responses for selection within geographies, nor undercut thematic programs' ability to apply their expertise to augment work in a geographic area.

- (2) *Potential overlap or duplication of strategies and reporting. Can we avoid generating multiple reporting requirements for the same or overlapping pieces of work? Units would contribute to OSF-wide strategies (possibly 6 to 8), be involved in budget and outcomes monitoring, and spend additional time considering whether to join other strategies.*

In the most streamlined interpretation of this proposal, OSF-wide strategies would mean that unit strategies would disappear. The unit strategy would, instead, be the sum total of the contributions of a unit to OSF-wide strategies, plus some additional work a unit may be undertaking with money from the Innovation fund. In this view, the OSF-wide strategies embody the overall work of the organization defining the contributions from each unit. In this logic, each unit might produce an operational plan as a narrative to accompany its budget that spells out how it will manage the various contributions it is making to OSF-wide strategies. In most cases, however, the unit will likely feel compelled to develop and maintain its own strategies, in order to make determinations about whether to join particular OSF-wide strategies as they come along, to ensure some coherence within unit plans, to build team spirit, and to be sure that they can maintain their own expertise and ability to comment in an informed way on other issues as they may arise. For a thematic organization to maintain its contact with its overall field, to maintain a pulse of the key issues may require additional unit-level strategies. If so, the vision of streamlining the main work up the OSF level, and reduce the work at the unit level may not be fully realized.

- (3) *There may be possible overlap of issues since a number of open society issues are closely connected. There will be a need to mediate duplication.*