



The
Atlantic
Philanthropies

2020 Hindsight: Top 10 Lessons

May 2018

“A lot is expected from us in philanthropic endeavors—and not all good initiatives will be met with universal positive acclaim—but this challenge should not divert each of us from making philanthropic investments in what we thoughtfully believe to be the highest and best use of our resources. The challenges, even set backs, I have experienced in my decades of personal engagement in philanthropy pale in comparison to the impact and deep personal satisfaction we have realized.”

Chuck Feeney, Founder, The Atlantic Philanthropies
(From letter to Bill Gates after joining the Giving Pledge in 2011.)

Foreword

BY CHRISTOPHER G. OECHSLI
PRESIDENT AND CEO, THE ATLANTIC PHILANTHROPIES

As I began thinking about how to introduce this volume, one of a series of reports we've been producing as we prepare to close down by 2020, I remembered a quote I'd read years ago: "You must learn from the mistakes of others. You can't possibly live long enough to make them all yourself."

It's in that spirit—and out of a desire to leave behind a balanced picture of our grantmaking over 35 years—we offer this collection of the Top 10 lessons The Atlantic Philanthropies learned in hindsight.

The list that follows is drawn from discussions conducted with Atlantic's former and current staff and board from around the world. Each was asked to give an accounting of Atlantic efforts they believe fell short, why things went wrong, what lessons were learned, and what they'd do differently. For this effort we did not interview any grantees. Keeping our conversations focused internally allowed current and former colleagues to weigh in individually and collectively about how they thought we operated and how they felt in hindsight about decisions they and others made.

We have limited our list to 10 lessons: the ones that were cited most often and that answer questions other philanthropists and funders—especially those considering limited life philanthropy—have frequently asked us over the years.

The lessons in this document are a summary of individual reflections based on personal observations and experiences that occurred at various stages of the foundation's lifespan and in different places. Not everyone's experiences

led to the same conclusions. Not everyone agrees with every lesson. Even I found myself at odds with some of the conclusions reached. Still, I believe these diverse perspectives are essential and need to be shared.

The fact that so many people can observe the same things and come to different conclusions may also be a reflection of the nature of our business. The job of trying to help solve complex social problems requires a lot of experimenting and risk taking, and often with more hope than certainty you'll achieve your goals. Even well-intentioned, informed choices, decisions and approaches taken years ago may not look as good viewed through the lens of new conditions. That still doesn't mean they weren't the right calls to make at the time.

**“You must learn from the mistakes of others.
You can't possibly live long enough to make
them all yourself.”**

All leaders have to make tough choices and act decisively to help their organizations reach their goals. These decisions can be interpreted and felt very differently across an enterprise, and the contradictions and complexities that accompany them shine through in this document.

Along with the hindsight that follow, I want to offer three more drawn from my experiences at Atlantic, which I also think resonate with several on the list:

- Be aware of the unintended consequences and contradictions of your choices. This theme, which cuts across all of our hindsight, underscores the point that you're not going to get everything right all the time and you have to be prepared for that. But if you're willing to learn from what you do right as well as wrong, your organization becomes more effective over time.

- There's a lot of talk in philanthropy about donor intent, but not full agreement what that means in practice. For me, it's being certain a foundation's actions align with the donor's approach and values. And as you'll see in Hindsight 2, we could have done better by aligning Atlantic's work with our founder Chuck Feeney's values and approach much earlier than we did.
- Be sensitive to staffing size and know the limits of your appetite. Chuck and I believe that limiting staff size helps an organization stay focused on its goals and mission, which is a principle Atlantic sometimes neglected to follow (as reflected in Hindsight 7). To me, the issue of staffing during Atlantic's final years came down to these questions: What are the right functions and who are the right people to help us maximize our impact and end well?

We hope the lessons we learned in hindsight offer useful guidance to your philanthropy and contribute to your effectiveness.

What Atlantic Learned in Hindsight

Over 35 years, The Atlantic Philanthropies made grants totaling \$8 billion to advance opportunity, equity and human dignity. The bulk of these investments focused on systemic change to accelerate lasting improvements for people in Australia, Bermuda, Cuba, Northern Ireland, the Republic of Ireland, South Africa, the United States and Viet Nam.

Because Atlantic is a limited life foundation, we committed all of our grants in 2016 and will conclude operations by 2020. As we approach our final years, we are sharing insights and lessons drawn from our work to help advance effective philanthropy.

While each lesson that follows is meant to stand on its own, we recognize that several overlap. That's because of the interrelationships, inconsistencies and occasional tensions among various strands of our work and goals over the years.

HINDSIGHT NUMBER 1

DETERMINE THE END GOALS YOU WANT TO ACHIEVE FAR IN ADVANCE OF YOUR CLOSING DATE, THEN WORK BACKWARD TO FORMULATE A PLAN FOR ACHIEVING THEM. DO YOUR BEST TO STICK TO THE PLAN UP TO THE END.

We defined our final mission in the early 2000s, about 15 years before concluding our grantmaking. But it took some time before everyone got on board about how to tangibly deliver on our mission during our final years. Despite having a plan, we didn't always implement with fidelity.

LESSON

Rigid plans aren't always conducive to successful outcomes. Still, it's best when the staff and board of the foundation share a vision about its goals and how best to achieve them. They should also periodically affirm with some specificity how the organization's approach to grantmaking aligns with its mission. For that reason, our board and management could have been more directly engaged in ensuring a stronger and clearer consensus about desired outcomes. We should have done better holding leadership and staff accountable on how they executed the work to achieve those goals.

Rigid plans aren't always conducive to successful outcomes.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- It took us until 2011 — six years before the date our grantmaking would conclude — to adopt fundamental, underlying principles that would guide our final work.
- Multiple changes in leadership and staff contributed to our delay in reaching that “final reckoning.” Some of the turnover of key personnel was due to lack of clarity among and between staff and board (see Hindsight Number 2) around shared mission and action plans for achieving them.

- Without being clear about a final vision of where and how we wanted to end, grantmaking and investment decisions were sometimes fragmented. They also were made as discrete operational and grant choices but should have been part of an integrated plan in which all key staff and board—program, investments and operations—collaborated and were collectively knowledgeable, engaged and invested.

HINDSIGHT NUMBER 2

A BOARD AND LIVING DONOR NEED TO REACH AGREEMENT ON PRIORITIES, PRINCIPLES AND PREFERRED OPERATING STYLES. OR PUT ANOTHER WAY, HOW TO GET THE WORK DONE.

A conflict in strategic styles led to a breakdown in communication, but the problem was resolved with a clearly articulated set of principles.

Atlantic's founder, Chuck Feeney, achieved business success as an entrepreneur. As a philanthropist, he relied on those same entrepreneurial skills—following his own instincts and ability to observe and seek out “ripe” opportunities—to guide his decision-making about Atlantic's grantmaking. Our board didn't do enough in framing our strategic plan to integrate Feeney's preferences and operating style into the organization's structure and decision-making process. That lack of alignment between how an independent board thought the foundation should operate and our donor's operating approach created occasional, and sometimes, unpleasant, tension.

LESSON

Members of boards with living donors need to understand that it's highly likely that the operating approach, values and qualities that contributed to a founder's business success are likely to influence his or her approach to philanthropy and affect the dynamics and governance of the foundation. Those serving on an independent board that includes an organization's founder need to continuously balance strategic efforts with the entrepreneurial qualities of a living donor. Also, articulate key values and approaches to support alignment.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- As noted, Chuck Feeney was a successful entrepreneur who liked to seize opportunities when he saw them and, as a result, had little patience for excessive organizational planning and deliberation. His approach often involved first-hand observation of what he considered “ripe” opportunities and opting for big bets for maximum impact. On occasion, Feeney’s decision-making process led him to reach a conclusion about a possible grant investment before the board had fully deliberated on it. That created tensions that some directors found to be challenging and disruptive to effective governance.
- The failure of Atlantic’s board to strike a balance between Feeney’s entrepreneurial style and the need for conventional strategic planning and predictable and structured decision-making led to breakdowns in communication and a lack of clarity about roles. That created a series of challenges that came to a head in 2011, resulting in the departure of the then CEO and some board members.
- After that, the board and leadership more clearly articulated a framework and basic grantmaking principles that respected Feeney’s approach. It also facilitated greater alignment between him and the board and provided more comfort for Feeney in the foundation’s final years of grantmaking.

HINDSIGHT NUMBER 3

**ANONYMITY KEEPS A DONOR’S GIVING CHOICES PRIVATE.
BUT OPERATING IN SECRET CREATES SUSPICION AND OCCASIONAL
MISTRUST ABOUT “WHAT’S GOING ON BEHIND THE CURTAIN.”**

Because Chuck Feeney wanted the freedom to meet people and assess opportunities under the radar, and to protect himself and his family from solicitations and potentially much worse, Atlantic operated anonymously for nearly the first half of its life. Also, because Feeney’s business success was largely based on keeping competitors in the dark, that reinforced his penchant for similarly keeping quiet about his giving. Conditions of anonymity meant grantees could not publicly disclose any Atlantic support.

LESSON

Anonymity was a double-edged sword. On one hand, it allowed Feeney to seek out grant opportunities without having to reveal that he was sizing up people and organizations for possible support. However, the lack of transparency reduced Atlantic’s and our grantees’ leverage and influence for nearly half of the foundation’s life. Donors favoring anonymity for personal reasons need

to be aware of the tradeoffs being made, including risking fallout from the lack of public accountability and hamstringing grantees' ability to leverage the foundation's name and reputation when fundraising. Board members, too, have to be aware of how anonymity can affect the foundation's ability to succeed in its grantmaking and relationships with grantees and other funders.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- Sworn not to reveal Atlantic's name — upon penalty of losing their grant — grantees were unaware they had a common funder. As a result of not knowing which other organizations Atlantic was supporting to work on similar issues, the foundation's grantees also lost opportunities to learn from each other, share common goals and/or collectively amplify their work.
- Anonymity proved especially difficult in Northern Ireland, given the atmosphere of suspicion and distrust dating back to the Troubles. Some groups that accepted Atlantic support feared that they would be accused of taking funds from disreputable sources.

HINDSIGHT NUMBER 4

LIMITED LIFE SHOULD BRING WITH IT A FIERCE SENSE OF URGENCY AND FOCUS, PARTICULARLY AS THE END NEARS.

When Atlantic determined in 2002 that we would complete our grantmaking over the next decade and a half, we didn't take into account how quickly that end date would arrive. As a result, the foundation continued making grants into 2011, much as it had in earlier years, sometimes acting as if we were a perpetual foundation.

LESSON

Once it decided for limited life, Atlantic would have been wise to follow the words Samuel Johnson uttered nearly 250 years ago: "When a man knows he is to be hanged... it concentrates his mind wonderfully." Although we were facing an "imminent hanging," we often didn't act as if we really believed that. As a result, we delayed answering fundamental questions that should have been addressed much sooner by staff leadership and board.

Among them: “Are our activities in line with our planned end goal?” “Are we striking the right balance among planning, program ambition, financial and human resources?” “How does this decision fit into our plan to end well and responsibly?” “What will we have to show for it?”

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- At times our grantmaking choices proved too ambitious for a foundation facing a fast-approaching end. For example, even though progress in effective school reform in the United States has proven to be challenging, highly risky and requiring a very long commitment of time, we undertook such an effort. We supported a community school model that integrates academics and related supports with services that address health and social needs of their students. Despite making some progress, we realized achieving all our goals for this initiative would not be possible during the remainder of the foundation's life. In hindsight, we didn't pay close enough attention to one of our primary grantmaking principles to narrow our focus on significant but achievable milestones.
- In other instances, the decision to be the sole or major funder on projects with a long time horizon left grantees scrambling to find funds once we exited. While we made it clear to grantees that after our funding ended they would be responsible for finding other sources of support, in some cases, grantees didn't take full responsibility for doing so.
- When we understood constraints facing us and acted accordingly, such as first seeking to achieve intermediate goals before setting out to accomplish long-term goals, we often helped our grantees achieve positive outcomes. For example, we designed our initiative to tackle harsh and discriminatory discipline policies in U.S. schools in a way we could accomplish a set of goals in a fixed period of time. In deciding to support groups seeking to abolish the U.S. death penalty, we knew we would not be able to see it through to the end but could help create significant momentum—including reducing the number of death sentences and executions in states—that would bring advocates close to achieving a national ban on capital punishment.

Although we were facing an “imminent hanging,” we often didn't act as we really believed it.

HINDSIGHT NUMBER 5

WANT TO MAKE A BIG BET? START SMALL AND THEN GO ALL IN IF THE ODDS ARE IN YOUR FAVOR.

Atlantic had a history of making big bets—something we did out of a desire to address immediate and longer-term needs in ways that would have a substantial impact sooner than later. We found that instead of going all in from the start, it often worked best to make a series of small bets and then determine if the odds favored making a bigger bet. On occasion when we didn't start small—usually failing to ask Chuck Feeney's fundamental question: "What gives us reason to think this bet will pay off and it is the highest and best use of Atlantic's resources?"—the outcomes weren't as we expected or had hoped.

LESSON

Betting big means committing a substantial investment of funds and people's time. But just because you can bet big doesn't mean you should. A wiser course is to make a series of small bets to get a better sense of the landscape and the odds. Also, keep in mind that betting too big can stretch a grantee's capacity, or result in large-sized grants that overestimate the marginal social return on investment. Bet big when the opportunity is ripe and you can see around the corner or down the road.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- Our best big bets followed a series of smaller investments, sometimes pilot projects that gave us and our grantees valuable insights and a better understanding of both the opportunity and challenges.
- As one grantee in the Republic of Ireland noted, his organization was "constantly being tested," with "very small amounts of grants being given" first. Much larger grants followed after the organization was able to deliver on time, on budget and according to mutually agreed objectives.

HINDSIGHT NUMBER 6**WHEN PLANNING TO EXIT FROM FUNDING RELATIONSHIPS OR TO DOWNSIZE STAFF, BE CERTAIN THAT NEITHER EMPLOYEES NOR GRANTEES ARE SURPRISED WHEN THE END DATE APPROACHES.**

We should not have assumed that all grantees understood what we meant when we said we were planning to end certain kinds of grantmaking or that we had properly prepared staff to deliver that message to them. We similarly presumed staff understood how they would be affected by plans to downsize and that they knew these plans were not written in stone, but subject to change as conditions warranted it.

LESSON

In the absence of full, complete and consistent communication, people fill that vacuum with speculation, and often not in a helpful way. For example, when exiting a field, or ending grantmaking entirely, you have to do more than just announce your plans. You need to be sure grantees understand your reasoning and how they'll be affected. Be just as diligent when communicating with staff about how these changes affect them—both in terms of their jobs (how long they'll last or whether and how responsibilities will change) and whether these plans are fixed or subject to change in the future.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- We didn't adequately prepare staff how to tell their grantees that, while we were ending "program-specific" grantmaking in the run-up to our final years, the foundation would continue making a series of culminating grants through 2016. That created confusion when we initiated our new Global Opportunity and Leverage (GOAL) grants in 2014. Some grantees mistakenly presumed they could apply for those grants to make up for earlier Atlantic funding that had ended. In retrospect, it appears we hadn't communicated clearly enough that their funding from Atlantic had ended, and they should put their energy into finding support from other sources.
- Staff also experienced confusion when they heard that their jobs—which they'd been told would end on a specific date—were being extended. In presenting staff with their exit dates, some hadn't been told there was a chance their employment might be extended if Atlantic determined they were still needed.

HINDSIGHT NUMBER 7

WHEN STAFFING UP OR DOWN, REMEMBER THE GOLDBLOCKS PRINCIPLE: FIND THE NUMBER THAT'S "JUST RIGHT."

Chuck Feeney believed that a lean operation keeps an organization focused on its core mission and prevents it from getting too diffuse—which happens when it keeps growing and creating new kinds of positions. A smaller staff can also achieve greater efficiencies (in terms of grants and grant dollars/staff member) and prevents bloated administrative costs. At its peak, Atlantic had over 130 people on staff worldwide.

Staff cuts came too quickly, resulting in a lack of capacity to handle all remaining tasks.

As part of its plan to complete grantmaking at the end of 2016 and close by 2020, Atlantic began reducing staff in 2011. Once that began, subsequent cuts came quickly. Rapid downsizing resulted in a lack of capacity to handle all remaining tasks, and created anxieties among staff about their careers and life after Atlantic.

LESSON

In retrospect, we hired too many people between 2004 and 2010. More so, we ended up with a number of people in jobs that weren't essential to our work. But because these jobs became embedded in the organization, they were hard to eliminate. Also, when grantmaking began to wind down, program staff were the first to leave. In their place, we needed people who could handle critical final-phase functions, including grant monitoring, evaluation and communications. But because we hadn't projected those needs soon enough, at times we found ourselves short-staffed. As we were downsizing our staff due to the completion of existing program grantmaking, we also needed to add people to support the launch and management of the foundation's final grants for the new Atlantic Fellows programs.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- The run-up in staff was tied to an endowment that kept growing and fueling additional grantmaking, and four CEOs between 2002 and 2011, each of whom had new and different ideas about what they wanted to accomplish and how to accomplish it.
- Even as Atlantic was preparing for its final years of grantmaking, strong investment performance provided more money for grants. This led to more grantmaking, as well as attendant requisite tasks, which required people to execute them: more projects to consider for funding, more grant agreements to be executed, more negotiations with other funders, more internal documents to be written and recorded. Other functions, such as evaluation and communications, also grew in importance in Atlantic's final years.
- Once program staff completed their grantmaking and departed, their final grants still needed to be monitored in their absence. As a result, the foundation created a new Grants Monitoring function in late 2015.
- In addition, in late 2015, Atlantic launched its Fellows program, initially relying on consultants, then adding staff to handle the work. Other new tasks — from the launch of a final website, completion and dissemination of findings from several evaluations and the launch of a new publication series focused on summarizing Atlantic's approach to grantmaking, all required staff to do that work, some whom had to be hired between 2015 and 2017.

HINDSIGHT NUMBER 8**EVEN WITHIN THE GENERAL GUIDELINES OF STICKING TO A PLAN AND MAINTAINING FOCUS (HINDSIGHTS 1 AND 4), BE PREPARED TO ADJUST COURSE QUICKLY WHEN CIRCUMSTANCES CHANGE.**

As a foundation with a fixed number of years to complete our work, we frequently wanted more certainty that our grants—especially ones in final years—would pay off. This focus on getting it right before the clock ran out may have resulted in us being too focused on staying the course and not adjusting strategies or changing direction in the face of new developments. In some instances, we might have been too hasty ending work that should have been continued. Similarly, we may have been too reluctant to pursue new opportunities that arose.

LESSON

Not all programs are likely to succeed and thus, we could have done better at times in distinguishing between ones that had coherent and sustained strategies and those that were not as well thought out, making them unsustainable. As we learned in later years, we should have begun sooner to pilot, incubate and even spin-off programs that potentially had a life beyond Atlantic.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- In retrospect, the combination of our desire to finish work as quickly as possible and failure to adequately plan for a proper ending led to prematurely or abruptly exiting from or ceasing grantmaking in support of higher education in the United States and Viet Nam, and civic participation in the United States.
- Because we had only set a limited goal of supporting the passage of the Affordable Care Act in the United States, we didn't allocate sufficient funds to help ensure a smoother and more effective implementation of the new law.
- When we started the Atlantic Fellows, as our final and largest initiative, we didn't implement all six of the programs at the same time, but purposely staggered and sequenced the launch of each one, to give us and our partners time to pilot, learn, adjust and ensure everything was operating efficiently.
- To ensure work would continue on important issues after our exit from the Human Rights field, we created the Civic Participation Action Fund, a five-year initiative that supports advocacy efforts in the United States promoting racial and economic equity. We also established the Social Change Initiative in Northern Ireland to improve the effectiveness of activism for progressive social change, particularly in divided societies. A separate investment supported a partnership with the Northern Ireland government to deliver improved services for parents, shared education and support for people with dementia and their carers.
- Additional final big bets in the United States included a grant to the NAACP Legal Defense and Educational Fund for the Thurgood Marshall Institute. The Institute undertakes research and executes advocacy initiatives that seek to end racial disparities in the United States. A grant to the American Civil Liberties Union supported a multi-year reorganization to improve its capacity and ability to develop and implement effective national and state lobbying strategies.

HINDSIGHT NUMBER 9**WHEN BETTING ON LEADERS, MAKE SURE THEY RUN STRONG ORGANIZATIONS WITH PEOPLE WHO CAN SUCCEED THEM WHEN THEY DEPART.**

Because Atlantic's big bets were often wagered on leaders, the foundation frequently sought out individuals whose organizations we believed would take off if they had sufficient investment capital. However, we also didn't always conduct extensive due diligence on the other people involved in an organization's work, their management experience and skills, the availability and capacity of a back-up leader, and/or long-term organizational commitment.

Great ideas often die when a charismatic leader leaves an organization.

LESSON

When betting on a charismatic leader, we should have made sure he or she had requisite organizational/management skills. We also should have confirmed the organization had sufficient capacity/capability to do the work and had given thought about how to sustain it into the future. Finally, we should have ensured a succession plan was in place and ready to be activated. Great ideas often die when the charismatic leader/advocate leaves or the organization falls short of its funding goals.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- In at least two instances, our expectations for charismatic leaders resulted in our forgoing essential due diligence on organizations in which we made substantial investments.
- Betting on the current leader, we also made large grants to organizations that didn't have a succession plan in place. On more than one occasion, grantees suffered considerable setbacks after the departure of their leaders.

HINDSIGHT NUMBER 10

MAKE LEARNING FROM YOUR WORK A PRIORITY FROM THE START, NOT SOMETHING YOU'LL GET TO LATER.

We didn't put much emphasis on program assessment and evaluation at the beginning of Atlantic's existence. When we finally did, we gathered evidence and conducted evaluations to help grantees learn about what was working and what wasn't with their programs. While we saw how this knowledge helped inform and improve grantee practice, we didn't take sufficient time to learn from it ourselves. Some of this resulted from changes in leadership—and their preferences—and individual staff predilection.

LESSON

We would have been wise to integrate “stock taking” in our ongoing operations much earlier and make better use of data to track progress. Had we made evaluation and analysis of findings a more explicit part of our work, the foundation's leadership and board would have been better able to determine if we were achieving expected outcomes and goals and doing so in the most efficient and effective way.

FACTORS FROM OUR WORK THAT INFORMED THIS LESSON:

- During the years of Atlantic's anonymity, we missed opportunities to assess and evaluate grantee and overall foundation performance for our own learning as well as for contributing knowledge to the field.
- Most grantmaking meetings and procedures at Atlantic focused on getting grants out, rather than documenting results and insights (though the process known as “stock taking” instituted in the foundation's late phases helped fill gaps in learning).
- We missed opportunities to capture staff assessments of progress with their programs as well as lessons in grants management processes and documentation.
- Although we created a formal process for strategic learning and evaluation, we didn't apply this effort evenly across geographies where Atlantic worked, resulting in incomplete learning and missed opportunities for application of what we learned.

For other volumes that explore how Atlantic approached its grantmaking over the years and insights gained, please visit <https://www.atlanticphilanthropies.org/insights>.

Topics include Giving While Living, Partnering and Engaging With Government, Investing in Advocacy, Operating for Limited Life, Investing in Strategic Litigation and Investing in Capital Projects.

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