

## Five Years with New Futures: An SVP Investee Profile December 2003

### NEW FUTURES (formerly Project LOOK)

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“We had an immediate problem at one of our sites. In the apartment on the first floor, cockroaches would fall on the food when you opened the cupboards. Sewage dripped down the walls. Where we stood with the kids for the bus is right next to the dumpsters. We had public health nurses in every day. Children weren’t safe.”

This was the state of affairs at New Futures (formerly Project LOOK) when SVP’s Children’s Grant Guidelines came across Executive Director Roxanne Hood Lyons’ desk in early 1998. It was the first grant cycle for SVP and an early exploration into the world of venture philanthropy and the unique nature of a relationship between a grantmaker and its investee. SVP provided \$383,000 in grants, \$10,000 in consultant support and 22 strategic volunteers over the course of the five year relationship with New Futures. At the end of those five years, both New Futures and SVP were dramatically different and improved organizations. The story of the relationship – long-term, highly-engaged, goals-driven, capacity-focused - yields many lessons to be learned for other organizations entering into similar relationships.

### Background

SVP seeks to develop philanthropy and volunteerism to achieve positive social change in the Puget Sound region. Using the venture capital approach as a model, SVP is committed to giving time, money and expertise to create partnerships with K-12 education, out-of-school time and environment not-for-profit organizations. SVP helps nonprofits to be as effective as possible in delivering their programs and services by helping to build their organizational capacity. SVP defines Organizational Capacity Building as the development of core skills, management practices, strategies, and systems to enhance an organization’s effectiveness, sustainability and ability to fulfill its mission. SVP supports capacity building for its investees<sup>1</sup> by providing cash grants, skilled volunteers, professional consultants, leadership development and management training opportunities. These resources are provided in areas such as financial management, fundraising and revenue development, information technology, marketing & public relations, program evaluation and performance management, human resources, strategic planning, legal, leadership development and board development and governance.

New Futures (formerly Project LOOK) brings a systemic approach to long-term positive change in children at greatest risk of academic failure, unemployment, too-early pregnancy and violence. Their focus is to help vulnerable children, families and communities create the lives of their dreams in the midst of significant poverty. The organization leverages support from over 60 agencies to provide on site school-linked child and family support and community engagement services in the low-income apartment complexes where the children live. The mission of New Futures is: *Every child is born into a family with dreams for a future overflowing with possibilities. It is their gift and their right. When poverty and injustice put that gift at risk, we all lose a piece of our future. New Futures helps children, families and communities create the lives of their dreams.*

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<sup>1</sup> SVP uses the term “investee” rather than grantee to connote a long-term grantor-grantee relationship predicated on the investment of time and shared goals by the funder.

This year, New Futures worked with 2,500 people who speak more than 50 languages, 80% of which were immigrants and refugees. Some program examples include after school tutoring and activities for kids as well as classes on parenting, pre-school literacy, crime and drug prevention and computer use for adults. New Futures also reaches families through home visits to determine any needs or issues that the family may have and to identify leadership programs for natural adult leaders to expand their role in helping their neighbors navigate various systems such as the Department of Social and Health Services (DSHS), schools, and medical care. New Futures provides child and family support services through on site safe centers, and connects families to one another to increase the social capital in low-income neighborhoods.

At the start of their relationship with SVP, New Futures worked with families residing in three low-income apartment complexes that are linked to nearby elementary schools in the Highline School District in Southwest King County. Overall, the three sites served Hispanic families (39%), African-American families (32%), multi-ethnic families (12%), Asian/Pacific Islander families (6%) and Caucasian families (11%). One-third of the families served by New Futures are non-English-speaking.

*In 1998, when New Futures applied for a grant from SVP, it was delivering five different programs to approximately 100 families at three different sites. The part time Executive Director had no office and was working out of her home. The organization's annual operating budget was \$294,000 and its programs were not fully staffed or operational at each of the three sites. Seven direct service staff were employed through Ruth Dykeman Children's Center or Highline School District, and five other part time staff were loaned from other agencies to help as direct service staff. New Futures was a program of the Highline School District and therefore did not have their own 501(c)3 status or an adequate financial system of their own.*

### **Early Impressions**

There is no doubt that what primarily attracted SVP and its Children's Grant Committee to New Futures was the strength of its Executive Director, Roxanne Hood Lyons.<sup>2</sup> A grant committee member explained, "She had a great program concept with some proven results, and she had a bright mind and good personality to fit with SVP. We had at least two entrepreneurs on our site visit committee and we persuaded the grant committee to take the risk because we had great conversations with Roxanne and in the end believed in her."

The grant committee was also impressed with New Futures' approach that brought services and programs to children and families where they live. One grant committee member said, "As a team, we thought that New Futures had a strong program concept with a passionate leader who was eager to learn and grow. It was also unique that they were taking not the purely 'social' view of attending to family or the purely 'education' view of tutoring kids after school, but were combining the two. They were taking an innovative approach by trying to get at the core issues on both sides and this was what we were looking for."

At the time of the grant application, the presence of New Futures programs in the three apartment sites had resulted in a demonstrated decrease in crime. A four-year evaluation by RMC Research Corporation had shown that, due to the presence of New Futures, there was a 33% reduction in gang activities (fifteen gangs resided in the three apartment complexes), a 30% reduction in graffiti and a 12% reduction in police reports. Those statistics looked promising to the SVP grant committee.

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<sup>2</sup> Roxanne Hood Lyons' career includes teaching middle school biology and health, as well as a school district administrator. She has trained teachers across the Pacific Northwest to work more effectively with all children, families, and communities. Roxanne is a Summa Cum Laude graduate with a Masters degree in Education, and a Bachelors degree in Public Health Administration and K-12 Education.

From Roxanne's standpoint, she saw a wealth of opportunity in SVP:

What attracted me to SVP was the seeming flexibility of the dollars - that I could use it wherever I thought the best use would be. The prospects were that I could really solve the problems I had with this money because the dollars were flexible. The second thing that attracted me was the volunteer possibility. I knew that staying in the current structure that we had wasn't going to allow us to grow over time, but I didn't have the man power to be able to change it. I wanted a business mentor to be able to talk this stuff through with and make strategic decisions with it. I didn't have the business experience to be able to make the strategic decisions – I didn't trust myself without having someone to bounce things off of.

The first joint endeavor New Futures undertook with SVP volunteers was addressing the immediate sewage and health problem in their Juanita apartment site. As Michael Cockrill, an SVP strategic volunteer with a 15-year background in technology management and business development, explains:

The unit they were using for one of the after school programs was inappropriate. It was too small, had a rat problem, and a persistent sewer leak. Furthermore, she was paying full rates for this unit. She had appealed to her landlord several times for a break on the rent and/or a different unit but she got no where. Another SVP volunteer and I had a meeting with Roxanne and her people and did a survey of their interactions. We found that Roxanne had been approaching her landlord primarily on humanitarian grounds. We held a meeting with the landlord to negotiate a new agreement. We told her that, if we could work something out with the rent and the units, New Futures would facilitate the creation of a police sub-station in the building. Roxanne had provided us with a package of statistics about the difference in vandalism and vacancy rates before and after the creation of the police substation in other places.

The results were positive. Cockrill reflected, "We ended up with a new, three bedroom unit for the program, as well as the apartment next door for a police substation. The landlord also ran extra phone lines into the unit for the police officers to dial into the precinct. It was a win-win-win situation and we were very pleased with the results."

This was an ideal start to the relationship. Roxanne and New Futures had an immediate need that SVP could address with strategic level, committed volunteers. The problem was resolved fairly quickly and both New Futures and SVP had a positive result on which to build a relationship. As Paul Shoemaker, Executive Director of SVP, points out, "Quite often these things that end up being successful don't start because you sat down and talked about capacity building. They start because you've found a tangible thing that you can deliver on to show results that help build trust and that you can bond around."

### **The First Year**

Accomplishments during the first year included the creation of a New Futures brochure that was widely distributed and the re-negotiation of the lease at the Juanita site. In addition, SVP and New Futures worked through some growing pains as they got to know each other. Heidi Craemer, Harvard MBA with a 10-year background in strategic consulting with Boston Consulting and marketing at Microsoft, was the SVP volunteer assigned to the Lead Partner role for the first year and a half. The Lead Partner plays a pivotal role in SVP in that they work regularly with the investee to identify and prioritize volunteer projects, set and monitor objectives, develop the overall vision for the long-term relationship with SVP and oversee budget needs or modifications to uses of SVP's grant money. As a Lead Partner, Heidi acted as the

primary liaison between SVP staff and volunteers and New Futures. Heidi and Roxanne worked closely for the first year trying to establish a solid relationship between SVP and New Futures. Heidi touched on one of the challenges they faced:

The first challenge was not having an office to meet in. When necessary, we met in her dining room. Also, Roxanne worked part-time and was very responsive to her clientele so their crises came before our work. This was understandable, but was keeping her from establishing a solid infrastructure for the organization. We decided after a few weeks to set up a weekly appointment time at her home.

Roxanne explains the challenges:

I think Heidi and I wasted a lot of time that first year. Every week that she was in town we met for two hours at my house - my office. I think there were a lot of conversations that felt like to both of us we were going nowhere. And other times they were very educational. It was six to eight months into it when Heidi said one day, I finally understand what you're trying to do with this work. And I said I finally understand where we can get value out of SVP.

The first year of this relationship was also the first year of grantmaking for SVP. Therefore it was also the first time SVP had sent in strategic volunteers to work with a nonprofit. While Roxanne and New Futures repeatedly praise the SVP volunteers that worked with them during the five years, there was a small but notable culture clash that occurred. During SVP's early years, the majority of the Partners were from for-profit companies that had a distinct working culture. When these SVP volunteers went to work with Roxanne and New Futures, they brought this working style with them. As Roxanne points out, "They set short timelines, then they roll right over it. I set long deadlines, but I accomplish them. My expectation is different about what deadlines mean. Longer, firmer, more realistic timelines are better for us." Roxanne and New Futures adjusted to this problem and eventually learned to work with it. "We got smarter about how to handle that. In the end I would talk that over with people pretty openly. I started to take control of the deadlines. We'd set a deadline and ask, 'what do you think you can promise along the way?' We got good at it, but it was a learning curve."

Heidi expressed another side to the challenge of placing SVP volunteers in New Futures:

SVP had more capacity to give than New Futures could handle immediately and we started a few too many things at once. By the second year we settled down to the highest priorities within Roxanne's capacity and she had hired a staff person, thereby doubling New Futures' capacity for organizational work.

Another issue with volunteers centered around the inherent power imbalance between a funder and its investee. Roxanne struggled at times with volunteers who thought they knew best. Roxanne said:

I didn't have any expectations of SVP volunteers. But after I heard described what was possible, I expected that when a decision was made they volunteers would follow my lead, that we (New Futures staff) knew best. As it turned out, Paul<sup>3</sup> uniquely believed that. Some other partners believed that, but some really didn't. They believed they knew better than we did about what should happen next. Whenever that got difficult I called Paul and he would talk to the partners. So it wasn't huge, but it was there.

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<sup>3</sup> Paul Shoemaker is the Executive Director of SVP

This first year of the relationship established the trust and respect that provided the foundation for a successful five year relationship. In addition there were growing pains and culture clashes to deal with. Roxanne and the SVP Lead Partner spent hours together on a weekly basis trying to figure out and understand where each was coming from, and both SVP and New Futures were learning how to get the most out of this unique partnership between funder and investee.

Heidi spoke positively going into the second year of the relationship:

The next phase was for Roxanne to develop a stronger sense of the possibilities for [New Futures] to strive for – larger grants, strong foundation, stable staff – and understanding the potential of the SVP relationship. The refunding process<sup>4</sup> really set the stage for the next year and launched her and SVP into more strategic work.

#### Grants Awarded

	<b>Grant Amount</b>	<b>Purpose</b>
<b>Year 1</b>	\$65,000	General operating support and funding for staff at the Juanita site.
<b>Year 2</b>	\$70,000	Continued operating support and to develop a replication model.
<b>Year 3</b>	\$109,000	General operating support including funds to hire a business manager and fund development staff.
<b>Year 4</b>	\$59,000 \$30,000	Hire a Director of Development. Launch a Beta Replication Site.
<b>Year 5</b>	\$19,000 \$10,000 \$5,000 \$6,000 \$10,000	Provide partial salary and benefits for the Program Coordinator. Provide partial salary and benefits for the Executive Director. Provide partial salary and benefits for the Program Director. Support the development of replication manuals. Provide partial salary and benefits for staff trainers.
<b>TOTAL</b>	<b>\$383,000</b>	

#### **Business Driven**

Roxanne noted in her refunding proposal after the first year that:

SVP’s niche is to advise and assist as New Futures builds infrastructure to bolster the organization. This is vitally important, as New Futures is programmatically strong and targeted for expansion. If the infrastructure and organization are not fully in place, I am concerned that expansion could unduly stress current services. This partnership has been most successful in encouraging me to pursue a business perspective, which will be important in a long-term refunding strategy and building the organization.

Initially, Roxanne thought New Futures needed to adopt a “business model.” SVP recommended her for the Denali Initiative, a three-year management program for social entrepreneurs.<sup>5</sup> She gave all of herself to the Denali project and learned a tremendous amount about herself as a leader as well as what is best for New Futures. The catch is that what she thought she needed to learn in order to move New Futures forward, she realized was not the best road to take:

<sup>4</sup> SVP awards one-year grants to its investees with the intent of entering into a sustained 3-5 year relationship. Each year, the investee submits an annual plan for approval of another one-year grant.

<sup>5</sup> Based in Pittsburgh, Pennsylvania, the Denali Initiative is dedicated to developing the next generation of social entrepreneurs from small to mid-size, community-based, not-for-profit organizations across the nation through an intense action-oriented training and learning process.

At the time that's what I thought I needed – to better understand the business models and then design an organization that follows best business practices yet delivers social services and that would be the best imaginable combination. I no longer think that's the best imaginable combination.

Denali had a large impact on Roxanne and New Futures. “Denali took 80% of my energy and 100% of my worries for three years. New Futures is the organization it is partially because of SVP and partially because of Denali.”

In a roundabout way, Denali helped Roxanne figure out the fundamental basis for running New Futures:

A lot of what they had in that program was that money is the most important thing. If there is any chance to leverage money, it was about the bottom line. It makes sense in terms of a business. It's not true for me in a social service agency. The bottom line must be the mission. If you aren't dead on and heading toward the goal, then you are off track. In the end we created an organization that met good business practices, but focused on the mission.

There are business elements that are valuable and critical but they must never precede mission. The thinking at the time was to get the business model out there and bring along the mission. I think it's the other way around. I was focused on the business piece and the mission came behind it and I wasted a lot of energy until I realized I needed to switch them around.

It was a long and time intensive program, but the end result gave Roxanne a clear picture of how to direct New Futures forward.

### **Strategic Volunteer Projects**

New Futures used 22 strategic volunteers working in a variety of roles over the five year relationship with SVP. Some of the projects were smaller, short-term tasks, such as computer troubleshooting, hooking up networks and installing software, computer training for staff, creating a brochure and taking photos for marketing and public relations. Other volunteer projects were long term, time intensive and sometimes used more than one volunteer to complete the task, such as working on a new *financial system*, constructing a *client database*, creating an *evaluation system*, working on *replication*, and *establishing 501(c)3 status*.

#### *Financial System*

One of these time intensive projects was working on New Futures' financial system. Before the SVP grant, the financial system for New Futures consisted of a pad of paper, pencil and calculator on Roxanne's kitchen table. Roxanne remembered, “It took months of hard work and three SVP volunteers hashing through it to come out with an airtight financial system.”

As Heather Houseworth, one of the SVP volunteers and an accounting professional, explained:

My main function was to try to make sense of the financial information coming from the fiscal agents. They weren't really tracking the money themselves at that time, just sort of looking at the reports from the fiscal agents to make sure everything looked okay and that they still had money left. What they wanted was to get a handle on how much they actually had, where it was going, and how much they were expecting.

The result of this tedious project was the creation of a true financial system. Roxanne mentioned that they are now continuously complemented on their tight, streamlined financial system by auditors and other outside consultants.

#### *Not-for-Profit Status*

A key milestone for New Futures was acquiring its own 501(c)3 status at the end of 2000. SVP played a crucial role in this project. It began while Roxanne was working in the Denali Initiative. Through Denali, she was able to grapple with the question of whether or not New Futures should obtain its own 501(c)3 status. When she decided to go ahead with it, Peter Bladin, the second SVP Lead Partner for New Futures, worked with Roxanne on writing the bylaws and crafting the documents. Another SVP volunteer led New Futures through the legal process and both Peter Bladin, a 10-year professional in global marketing and services, and Brian Janssen, management consultant, IT manager, and technology company founders, became the first Board members.

#### *Client Database*

Another long term project was the client database. Originally, the goal was simply to develop a useful database, but the work resulted in a detailed and comprehensive self-evaluation system for New Futures. It began with Ruth Lipscomb, a 10-year software developer and SVP volunteer who “designed a database to track all clients and client interactions, mostly to streamline generating reports needed by funders, who were numerous and all wanted something different.” Then David Habib, software engineer and development manager and another SVP volunteer, picked up that database a couple years later and “heavily modified it, extended it, and deployed it.” Now, New Futures can track all of its clients and outcomes in a unified system.

#### *Evaluation System*

David Habib, the second SVP database volunteer, went on to be part of the New Futures Self Evaluation Team that worked on ways to help the organization measure outcomes. Roxanne explains, “The self-evaluation was made possible because of the flexible database that was created.”

This project began with Roxanne seeking out a good model for evaluation. “I didn’t know what I was looking for,” she said. She eventually found a group at the University of North Carolina (UNC) who got New Futures started on the path towards creating a solid self-evaluation system. The UNC group advised Roxanne to create a Self-Evaluation Team to meet monthly. The team that was created consisted of a number cruncher, an analyst from the University of Washington, the SVP database volunteer, an evaluation consultant, New Futures staff members and community members. This group continues to meet monthly to analyze the data and see how they can improve their services based on the data.

SVP also paid for the support of Organizational Research Services (ORS), an outside consultant, to help New Futures with their evaluation project. Anne Gienapp, a consultant for ORS, worked with Roxanne and New Futures on this project. Her understanding was,

New Futures had done some thinking about goals, outcomes and activities and a few long-term outcomes had been articulated. At the time, there was a strong desire to align strategic and programmatic processes so that programmatic results and organizational development were mutually reinforcing, and to create an overall evaluation system that the agency could own, as opposed to relying on outside evaluators for data about their program activities. Additionally, there was a desire to streamline data collection and reporting so that the agency did not have different reporting processes for multiple funders.

The evaluation system that was created allows New Futures to track outcomes, follow them over time and analyze them in different ways based on various attributes. Roxanne explained, “I can look at data from the three summer months of programming and figure out what changes need to be made and then

implement them for the fall programming.” For instance, one outcome they track is children’s reading scores. Within these outcomes, they can break it down into categories such as word recognition, oral reading, silent reading, spelling and word meaning. They can see which kids are doing the best or worse with word recognition and then figure out what changes they need to make in their teaching practices to improve the scores. (see Appendix A for samples of the evaluation)

*Replication*

As Roxanne stated early on, her intent was to strengthen the infrastructure of New Futures in order to replicate their services to other sites. The belief was that by replicating to more sites, they would be serving more people and thereby achieving their mission. However, during the course of the five year relationship, Roxanne changed her views on replication.

I was originally pushing hard for expanding the number of sites we operated and replicating our model in each site, but I realized that that’s not what we excel at. Our programs are great, but they aren’t what we’re best at. What makes us unique and what makes us successful is that we operate where our clients are. We go to them in their communities and we ask them what they need and go from there. We sit down and ask them what their dreams are and we set about helping them achieve them. I realized that replication to us means training the leaders in their communities so they become their own resources instead of us acting as the resource. We still want to open more sites and serve more people, but the real replication is in the way we work with the people in the communities.

Replication to New Futures means investing in the social capital of the communities they work with. By training leaders in the communities and working with them to become self-sufficient, New Futures is replicating their services even after the clients leave. They are making a difference in the lives of people they didn’t even come in contact with because their work is being spread by the communities where they work.

Strategic Volunteer Projects – Five-Year Summary

<b>Marketing &amp; Media</b>	5	<ul style="list-style-type: none"> <li>• Brand Deployment Specialist</li> <li>• Communication Plan Development</li> <li>• Marketing &amp; Message Development</li> </ul>	<ul style="list-style-type: none"> <li>•Graphic Design &amp; Editing</li> <li>•Photographer - Slideshow</li> </ul>
<b>Management &amp; Finance</b>	6	<ul style="list-style-type: none"> <li>• Advisory Team Member</li> <li>• Financial Consulting</li> <li>• General Organizational Support</li> </ul>	<ul style="list-style-type: none"> <li>•Legal Consultant</li> <li>•Ergonomics Specialist</li> <li>•Grant Research &amp; Writing</li> </ul>
<b>Replication/Expansion</b>	1	<ul style="list-style-type: none"> <li>• Researcher</li> </ul>	
<b>Web &amp; Computing</b>	7	<ul style="list-style-type: none"> <li>• Computer Skills Trainer</li> <li>• Computer Procurement &amp; Installation</li> <li>• Technology Consultant</li> <li>• Community Technology Instructor</li> </ul>	<ul style="list-style-type: none"> <li>• Website Planner/Developer</li> <li>• Database Developer/Trainer</li> <li>• Staff Technology Trainer</li> </ul>
<b>Lead Partner</b>	3	<ul style="list-style-type: none"> <li>• Heidi Craemer</li> <li>• Peter Bladin</li> <li>• Brian Janssen</li> </ul>	
<b>Other</b>	1	<ul style="list-style-type: none"> <li>• After School Tutor</li> </ul>	
<b>TOTAL SVP VOLUNTEERS</b>	<b>23</b>		

In addition to supplying strategic volunteers, SVP paid for outside consultants such as ORS to cover needs that couldn’t be met by the volunteers. Over the five years, SVP spent approximately \$10,000 on consultant support in the areas of fund development, outcomes and technology assessment.

## **In Retrospect**

The five year relationship is complete. New Futures was one of seven organizations selected by SVP in its first grant cycle. There were many lessons learned about how to engage in this type of relationship for both New Futures and SVP. Some issues that came up were addressed along the way, but many lessons, both positive and negative, became clearer after the relationship ended. As New Futures and SVP move forward, both work tirelessly to improve upon their model and service delivery. SVP now works with 23 investees, all at different stages in their relationship. By reflecting on the first complete round of investees like New Futures, SVP can extract best practices and implement changes that will help them better engage with future investees.

The learning curve of this relationship was two fold. Both SVP and New Futures were learning how to successfully connect in a long-term, highly-engaged relationship. But they were also learning more about themselves, individually and as organizations. When asked what changes she would make in the relationship, Roxanne said, “What I would do differently is have the sense to ask for someone who could help me critically think about things rather than come up with answers about things. Not a business mentor, but a critical thinker asking questions.” She goes on to reflect, “I have learned more about myself. I think I now understand better a lot of this is about me as a person - not just me as the leader of the organization, but more about me and how I think and operate. I don’t think I understood that as much in the beginning and had I realized that I would have changed my approach.”

Heidi, the first SVP Lead Partner also learned a great deal:

I learned a lot about the realities of an Executive Directors’ job, the pace of work and change in even the more entrepreneurial non-profits, and how my style and expectations needed to change to fit Roxanne and New Futures’ culture and style. During my time on-site or in meetings with her partners I was exposed to a lot of low income family life issues, some aspects of the school district budgeting process and the invaluable role of Roxanne’s strong relationship with many partners throughout the community (city officials, educators, social workers, restaurants, etc).

Both Roxanne and the Lead Partner realized there were some initial problems when trying to find volunteers to help with projects. Roxanne lamented, “I am so thankful for the projects that we accomplished. I would not have done those differently. I am sorry I beat up so many volunteers trying to get to it.” After the first year, Heidi said, “We requested and supported several volunteers, then realized that we needed an intro document to get them up and running because Roxanne was spending too much time on it. Volunteers didn’t stick in some cases because we were trying to do too much at once.” The lessons learned for SVP are to be clearer about defining the volunteer job, do diligent and timely follow-up with both the volunteer and the organization leader, and then stay in touch with and support the volunteer over time. SVP has now dedicated part of a full-time staff position to strengthening volunteer management for all investees.

Improved volunteer management also includes monitoring the culture clash between SVP volunteers and the nonprofit organizations they are helping. There were difficulties from both sides in adjusting to the way each worked. The lesson learned for SVP was that it had to create a culture where all volunteers respected what non-profits knew and what SVP didn’t. SVP has since provided more materials and training to prepare volunteers to understand the non-profit sector and where and how their skills could be effectively used.

Roxanne pointed out that the initial contacts with SVP could have been done differently. She noted that it would have been helpful at the onset to have a better idea of what SVP could offer her and her organization.

We needed more information on SVP's structure, what is offered. Here are our skills, here's what you can ask for. Give us a menu of possibilities. Now I'm getting the hang of it after a year. Now I get the skill set, but I'm sure there are still things that I don't know you could do. I couldn't see the possibilities and I didn't have the vocabulary to ask.

The lesson learned here is for SVP to improve its early meetings with investees to help them understand all that SVP has to offer them as resources and how they can utilize them. Part of the problem for SVP with New Futures was that they weren't sure themselves what all they could offer because this was the first round of investees they were working with. SVP now holds a "welcome" meeting with new investees. During this meeting, SVP goes over all requirements, introduces the Lead Partner, gives an overview of how the year will go (i.e., mid-year review and the re-funding processes), and explains how to request volunteers.

In addition to this, SVP piloted in 2003 an Organizational Capacity Assessment Tool (OCAT) with new investees.<sup>6</sup> This tool is intended to address many of the issues Roxanne mentioned. The OCAT is an extensive spreadsheet that the organization completes that evaluates various aspects of the organizations capacity. The OCAT is one way that allows the investee to analyze themselves and decide what areas they want help with. SVP now has much greater clarity about the skills they can offer and how to best navigate a new investee relationship.

Having five years to work with an investee allows for the relationship to grow and evolve along the way. As Roxanne says:

I think what worked well is that SVP was always willing to try it again and that I was always willing to come through with what the real deal was. I was never scared to tell SVP how much need I had and how much I didn't know. It worked well because it allowed us to start at the beginning instead of in the middle.

Roxanne exalted:

The greatest gift of SVP is your commitment at the organizational level to support projects as they need to be. It's like working with families. You can't go work with a family and want to teach them algebra if they are hungry and need food. You have to deal with the food issue first. SVP has been good about not wanting to teach us algebra even if that is what you thought you were going to be doing. You recognize that you have to deal with the food issues first.

Whether SVP did this consciously and deliberately or not at the beginning, this is a key lesson to be learned when engaging in this type of venture philanthropy.

Heidi, the first SVP Lead Partner concludes:

For me, this was one of the most rewarding and meaningful experiences I have had since leaving the corporate world. And for Roxanne, I have been truly amazed at the transformation in her leadership and management skills while staying true to the issues and concerns of the clients about which she is so passionate. I admire her tremendously and have learned a lot from her. I am thankful SVP created the opportunity for the benefit of all of us.

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<sup>6</sup> This tool was licensed from Venture Philanthropy Partners and McKinsey & Company.

### **The End Result**

*SVP funded New Futures from 1998 to 2002. The changes in New Futures during that time were dramatic. The first year of funding, New Futures operated in three sites and served about 100 children and families each year. Now, New Futures has three sites, with a fourth opening in January 2004, and serves 2,500 children and families each year. The first year of funding New Futures had the equivalent of about 3 full time and 3 part time staff. They now have over 40 staff members totaling the equivalent of about 9 full time staff and 34 part time. The annual operating budget for New Futures jumped from \$249,500 in the first year of funding to \$1,002,157 in the final year. The organization now has its own 501(c)3 status, a sound financial system, a client tracking system attached to an innovative self-evaluation system, and a strong Board of Directors. Three SVP volunteers continue to work with New Futures on their own. Two are on the Board and one continues work with the Self-Evaluation Team.*

The major difference programmatically in New Futures at the end of the five years was the level of support they were able to provide the children and families. Roxanne noted, “We used to have set programs offered, but now we go to the families and ask, what do you need? Families define those needs and we do what we can to help them thrive and reach self-sufficiency.” Where New Futures used to refer their clients outside of the organization for help, now they have the staff and capacity to attend to many of the needs themselves. New Futures is now able to work at a much deeper level than in 1998.

Snapshot Year 1 to Year 5

	<b>Year 1 (1998)</b>	<b>Year 5 (2002)</b>
<b>Operating Budget</b>	\$249,500	\$1,002,157
<b>Staff Size</b>	3 Full Time 3 Part Time	9 Full Time 34 Part Time
<b>Number of programs delivered</b>	5	holistic approach
<b>Number of children and families reached</b>	100 (approximately)	2,500
<b>Number of program sites</b>	3	2 of 3 sites the same 1 closed, 1 opened (1/2004)
<b>SVP volunteers -&gt; board members</b>	0	3
<b>SVP volunteers -&gt; donors</b>	0	\$175,000

## **New Futures Going Forward**

New Futures continues to move forward at a fast pace. When asked what lies ahead, Roxanne paused a moment to reflect:

We have a very solid organization. It's the first time I've ever said this, so it has taken ten years to get to where I think we know our model and we have the infrastructure that's solid. We will always play with it because we are a learning organization and because I am who I am. So we will always stay on the edge of learning and developing. But for the first time we are where we need to be as an organization. What then is next?

Roxanne described some of the primary goals for New Futures in the next year:

Our goals this year are to develop and expand our board. We have six board members and I'm one of them. We are going to expand to up to twelve members this year (2003-2004). Also we want to diversify our board to look more like our staff and look more like the communities where we do our work. We have intentionally had a business-oriented board because we were developing our infrastructure and wanted that expertise and it's been very helpful. But it's time to roll into a different model of board. So that's a new frontier for me and will be some of the work this year.

The other piece of the work this year is the understanding of community leaders and their role. How do you take the natural skills one has about being helpful to other people, the human element, and add some professional skills to that so that someone can be a para-professional in their own community? And how can you bridge the social capital between two groups when they speak different languages and may come from warring countries? We have several research-based techniques that we are going to combine with our own knowledge and expertise and try some new programmatic ideas along those lines, so I am very excited about those.

With a few more minutes to think, Roxanne continued with two more goals for the coming year:

The training center – we will start offering trainings for other nonprofits and schools this year in our award-winning Natural Helpers, Natural Leaders model – Capacidad. This could be a huge effort. As I participate in national conversations around increasing the prosperity of children living in poverty, I realize that we have learned much that is applicable in communities throughout this country. There are many people interested in this work. We are on the forefront of understanding how to increase social capital through supporting the natural leaders that live in the very community you want to support. New Futures is an ideal learning environment because we base our work on a deep respect of the families living in poverty.

We will open another site in White Center this winter – Arbor Heights – in a one-unit complex held by the King County Housing Authority. Led by our community builder and family advocate, we will create relationships with residents and partner agencies, and start programs based on residents' stated goals and dreams. Another exciting aspect is that some of the children who live at Arbor Heights attend White Center Elementary School which is the initial site of the White Center Community Schools project that we have been involved with from the inception and are a fiscal agent and sponsoring agency for.

## Postscript

On Tuesday, January 20, 2004, New Futures suddenly and unexpectedly moved out of their Juanita site after ten years. The City of Burien posted a “notice to vacate premises” sign at the apartments, forcing all tenants to leave by February 6<sup>th</sup>. The Seattle Post-Intelligencer reports,

“This is an action of last resort,” said Long (City Manager of Burien), citing a 29-page list of violations including exposed electrical wires, inoperable baseboard heaters, rodent droppings in kitchens, water damage, loose deck railings, missing smoke detectors, water leaks, piled-up garbage and junked vehicles in the parking lot. “I’d describe the apartment building as a slum – a totally neglected property,” Long said.<sup>7</sup>

In an email to friends and supporters, Roxanne Lyons said:

I know we have sent you a lot of emails over the past two months, all with good news about features in the Seattle P-I that showcased the changes children and families are making in their futures. Now I have very difficult news to report to you, our key supporters. Yesterday morning we moved out of the Juanita Apartments. The City of Burien posted a notice at 10:30am that it would shut down the entire complex on February 6 if the owners did not correct 15 pages of health and safety violations. This is an extreme situation.

It broke my heart to make the decision. I made the final call late Friday night. The Juanita was our first site, opened more than ten years ago. During the year we serve more than 550 children and community members there. But, my first responsibility is to the safety of my staff, and the environment at the Juanita had become increasingly violent. The spike in crime was sudden. Violence in low income neighborhoods is a fact we live with at all of our sites, but the Juanita had rapidly deteriorated beyond what I could accept.

We have not abandoned the Juanita residents. We have set up temporary shop at our new site at Arbor Heights Apartments so we can continue family advocacy services. We are working with the City of Burien as the lead agency coordinating assistance and relocation efforts. Our work continues during this incredibly difficult time for the Juanita community. Our focus, and our hearts, are with the children who live at the Juanita. They were lined up again this morning at 8:15, waiting for their school bus. I shudder to think what their nights are like.

Roxanne Hood Lyons

This dramatic turn of events is a sobering and powerful reminder of the extraordinary challenges faced by human service non-profits and by pioneering leaders like Roxanne Lyons. And yet, amidst this tumultuous and startling set of events, the work and purpose of New Futures is moving forward. They are finding inspiring new ways to meet the needs of children and families at a time when those needs could hardly be greater. In a follow-up note a few days later, Lyons explained,

Our staff is working round the clock to help residents relocate, support the children, continue programming at other locations and plan for the emergent homeless situation for some families. In some ways, our effort has just begun.

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<sup>7</sup> (January 21, 2004; full article at [http://seattlepi.nwsourc.com/local/157469\\_apartments21.html](http://seattlepi.nwsourc.com/local/157469_apartments21.html))