

# **CFI Community Foundations Communications Capacity Group Report**

**The James Irvine Foundation  
CFI Communications Project**

*Findings from October and November 2001 site audit and assessment activities  
with eight community foundations.*

December 28, 2001  
Williams Group

## Introduction

**The James Irvine Foundation** developed the Community Foundations Initiative (CFI) in recognition of the unique role that community foundations can play in stimulating local philanthropy and leadership in addressing local issues. The initiative represents a multi-million dollar investment to support and strengthen smaller and mid-sized community foundations. Specifically, CFI goals are to:

- Increase the philanthropic capacities of these institutions, including their ability to play a catalyst and leadership role in creating positive change in their communities
- Develop these institutions as strong community-based partners who can enhance the effectiveness of Irvine investments in the geographic areas they serve

In the last phase of CFI, Irvine and its CFI participants are interested in boosting communications expertise and capacity. Their mutual intent is to enhance awareness and understanding of who the CFI community foundations are and what they deliver.

**The CFI Communications Project** is the result of this interest. The goal of this project is to increase the capacity of individual CFI community foundations to accomplish their broad purposes via communications. The project is organized in two phases. Phase One involves the completion of two primary tasks:

- Assess the communication resources and needs of the CFI community foundations
- Develop a comprehensive communication plan for each community foundation and for CFI as a whole

Phase Two will focus on implementing key aspects of these plans.

**Williams Group**, a strategic communications firm with substantial experience in the community foundation field, has been contracted as project consultant.

**Eight community foundations** are participating in this project:

- Community Foundation of Santa Cruz County
- The Community Foundation serving Riverside and San Bernardino Counties
- East Bay Community Foundation
- Humboldt Area Foundation
- Orange County Community Foundation
- Sacramento Regional Foundation
- Sonoma County Community Foundation
- Ventura County Community Foundation

**This group report** describes key findings regarding the collective communications capacity and activity of the eight CFI participants. These findings are derived from information obtained during day-long site visits at each of the CFI participant locations, including interviews with a total of 55 community foundation staff, trustees, and consultants. These findings are being shared with all CFI participants, and will be used to inform the planning of CFI communications capacity development activities.

## Summary of Findings

Following is a list of ten primary findings identified through the audit and assessment process undertaken with all eight CFI participants.

### ***Finding related to communications capacity levels***

1. Communications capacity varies significantly among CFI community foundations.

### ***Findings related to communications values***

2. CFI community foundations recognize the growing importance of communications.
3. Some CFI community foundations perceive a potential conflict between communications and their role as an enabler of other community resources.
4. No CFI community foundation has an organizational culture that incorporates communications as an institutional value (i.e., as an integral element in their ongoing operations and an essential ingredient in their success).

### ***Findings related to communications practices***

5. CFI community foundations have not fully embraced the value of communications beyond the *development* arena; communication is generally underutilized as a tool for improving *grantmaking* impact and advancing *catalyst* activities.
6. CFI community foundations conduct communications in a manner that is reactive and opportunistic, rather than strategic.
7. Most CFI community foundations lack three critical dimensions of a strategic communications capability: research, audience segmentation, and measurement.

### ***Findings related to communications tactics***

8. Most CFI community foundations lack a defined set of core messages.
9. Most CFI community foundations allocate a substantial portion of communications resources to their annual report.
10. Most CFI community foundations lack a balanced communications portfolio.

*Each finding is further described on the following pages.*

## ***Finding related to communications capacity levels***

### **1. Communications capacity varies significantly among CFI community foundations.**

One of the community foundations (East Bay) has a sound communications infrastructure and good capacity today. The organization has a communications planning process; defined roles and responsibilities; and a committee structure that includes board and staff, sets strategic priorities, and integrates communications with other key functions (including development, grantmaking, and administration). Their written plan is organized by broad audience segments, identifies quantifiable objectives, and is supported by targeted activities and action plans.

Three other community foundations (Sonoma County, Orange County, and Riverside/San Bernardino Counties) are on their way toward building solid communications capacity. These organizations have key elements in place today — for example, each currently has a defined planning process and/or a written plan. Their continued capacity development will result from more firmly linking communications to other functions within their organizations, from more strategically aligning communications activities with organizational objectives, and from more specifically targeting their communications efforts against defined audiences and quantifiable goals.

The balance of CFI participants, while demonstrating the ability to successfully respond to select communications opportunities today, have limited communications capacity. This finding is reflected in the self-assessment of communications capacity stated by leaders of these organizations, as well as by the assessment of project consultants. For these community foundations, capacity development will include establishing a communications management infrastructure, building strategic communications planning skills, and enhancing the development and use of communications tools.

The chart on the following page provides an overview of current communications capacity attributes for all CFI participants.

## Summary of Individual Audit and Assessment Reports

<i>Audit and Assessment Criteria</i>	<i>Community Foundations Meeting Criteria</i>							
	1	2	3	4	5	6	7	8
<b>Communications Management: Process and Infrastructure</b>								
Defined communications planning process								
Assigned responsibilities								
Linked to key functions								
CEO/executive director involvement								
Board of trustees formally involved								
<b>Strategic Focus and Planning Capability</b>								
Documented plan								
Segmented by audience								
Quantifiable by objective								
Targeted activities								
Action plans								
Budget								
Measures/ongoing information gathering								
<b>Core Messages</b>								
Set of key messages								
Messages are clear								
Messages are easy to understand								
Messages are focused on beneficial differences								
Messages are known and used by staff								
Messages are known and used by board								
<b>Communication Methods</b>								
Cost effective methods								
<i>Communications vehicles used*:</i>								
Collateral print materials								
Public relations								
Electronic media								
Events								
Print advertising								
Radio advertising								
Television advertising								
<b>Brand Management</b>								
Effective identity								
Identity consistently applied								
Communications reinforce key messages								
Integrated visual appearance								
Appealing, professional quality								

*\* Note that this subcategory reports current communication vehicles used; it is not intended to imply that all of these vehicles should be used by any or all community foundations.*

**2. CFI community foundations recognize the growing importance of communications.**

All eight CFI participants — regardless of their current status along the capacity continuum — indicate a strong desire to improve their use of communications as a vehicle that can help them fulfill their missions. Virtually all attach greater value to the communications function today than at any time in the past. This perspective has evolved significantly in recent years, as participants have increased their awareness of the role that communications can play as a tool for enhancing organizational success and achieving organizational potential.

Frequently cited reasons for the need to emphasize the use of communications include: frustration that community foundations have relatively low awareness in their communities; recognition of the strategic commitment and progress that many nonprofit organizations are making in areas such as visibility, brand management, and donor outreach; alarm over the rapid growth and proliferation of charitable gift funds among for-profit financial services companies; and a general sense of the need to "sharpen our message" to help people better understand and access community foundation capabilities. In short, community foundations are finding that they cannot abide low awareness and misperception in an increasingly complex, often competitive, marketplace.

It is interesting to note that the impetus for elevating communications on each community foundation's agenda comes from different sources. In some community foundations, staff have led this effort — taking steps to educate trustees around the need to increase organizational attention and resources regarding communications. In other cases trustees have led — actively encouraging or directing staff to build the communications function. In a few cases both board and staff have recognized the case for communications in tandem.

Tangible indicators of the shift toward a focus on communications include the commitment by all CFI participants to engage in the League of California Community Foundations' *Statewide Visibility Program*, and the recent decisions of many participants to add dedicated communications positions to their staff and/or begin partnering with a local strategic communications resource. These activities, as well as the enthusiastic participation of all community foundations in this project, indicate that a general willingness to invest in building communications capacity extends across all CFI community foundations.

## ***Findings related to communications values***

### **3. Some CFI community foundations perceive a potential conflict between communications and their role as an enabler of other community resources.**

While there is general recognition of the need to elevate the role of communications, some CFI participants express concern about becoming too "loud" and visible in the community. Historically and philosophically, many community foundations (most notably, Humboldt) have by intent been quiet, behind-the-scenes players in their communities. These foundations express their role in one or more of the following ways: enabling the success of the nonprofit sector; enhancing partnerships between nonprofits, for-profits, and government; and boosting the impact of philanthropy in general. "Leave the spotlight to others," "We don't want to look like the heavy hand," and "We're most effective when we are behind the curtain," are typical of the remarks heard within these organizations when discussing communications.

Some of this concern is due to different interpretations of what it means to "increase communications" or "raise visibility." When these statements are translated to mean large-scale, mass marketing of community foundations as the "best place for everyone to give," many CFI participants understandably recoil from the notion of an active communications effort. When these statements are translated to mean select promotion of appropriate messages to well-defined and carefully targeted audiences, it is much more likely that all community foundation leaders can feel comfortable with increased communications activity. (It also merits noting that limited communications budgets are likely to lead all community foundations to take a more focused view of communications, regardless of organizational philosophies and interests).

With respect to these observations, project consultants believe that communications capacity can be effectively and productively enhanced within all CFI participant organizations, and can be done in a manner that is congruent with each participant's values as well as its purpose and role in the community.

#### ***Implications for capacity development***

Achieving this goal requires that the capacity development process allow for discussion and reconciliation of the positive role communications can play within foundations that choose to position themselves primarily through others.

## ***Findings related to communications values***

### **4. No CFI community foundation has an organizational culture that incorporates communications as an institutional value (i.e., as an integral element in their ongoing operations and an essential ingredient in their success).**

Even the most advanced community foundations have not yet fully embraced communications as a core activity within their internal operating environment. Participants view their organizations as being about community impact through grantmaking, development (including donor services), financial asset management, and (in some cases) convening.

Communications is not seen as an integral element that reaches across all other functions of the organization, or as a function that all employees and board members in effect staff on an ongoing basis. The total community foundation organism does not operate with a communications mindset — a daily consciousness among staff and trustees that every action is a *communications event*, and every transaction is a *communications opportunity* (that is, an opportunity to convey information in a manner that enhances understanding and positively predisposes an individual or group toward the community foundation). As one interview subject expressed it, "we need to help *each* person here understand that *every conversation counts*."

In many CFI community foundations, communications is a sporadic activity rather than an ongoing process. And this activity is viewed as the domain of the few rather than the responsibility of the many. Ironically, this isolation of the communications function can actually be exacerbated in foundations that add a dedicated communications officer, because staff and board members may tend to adopt the view that communications is "somebody else's job, not mine."

### ***Implications for capacity development***

This finding indicates that one output of the capacity building process should be the establishment of communications as an integral, integrated function within each community foundation, and the nurturing of organizational cultures that are conducive to communications effectiveness.

**5. CFI community foundations have not fully embraced the value of communications beyond the *development* arena; communication is generally underutilized as a tool for improving *grantmaking* impact and advancing *catalyst* activities.**

Most communications work is done under the umbrella of "supporting our development effort." This is the case for all CFI participants — including those that *have* and those that *do not have* dedicated communications staff. It is instructive but not surprising to learn that communications activity in most foundations is housed within the development function, and that in smaller organizations (without dedicated communications staff) the people assigned communications work usually spend over half their time doing development work. Within the development arena, communications have centered on cultivating donors, prospective donors, and their professional advisors (attorneys, CPAs, etc.).

In addition, many CFI participants have pursued communication of grantmaking activities as a means to support their development efforts. Strategies here include seeking broad media coverage of grants, encouraging or requiring recipients to communicate grant awards to their constituents, and participating in award events that directly expose the community foundation to potential donors affiliated with grantee organizations. Results from these strategies appear mixed, and provide the basis for additional examination throughout the capacity development process.

Moving beyond this development arena, two specific findings provide substance for additional capacity development:

**A. *Communications has been underutilized as a tool in improving grantmaking impact.***

Little attention has been placed on the role communications can play in strengthening the implementation of grants and enhancing the impact of grant activities, especially when these activities require outreach, education, or mobilization of specific populations. Some CFI participants are aware of these opportunities and needs, and express concern regarding the relatively low levels of communication capacity in place among the nonprofit organizations they fund.

**B. *Advancing the "catalyst" role requires an effective communications strategy — in some cases preceded by the development of catalyst capacity.***

At least four CFI participants view the catalyst role as central to their missions, and actively engage in this role today. Others express interest in acting as a community convenor or facilitator, but have limited experience to date. CFI leaders may want to explore capacity development around this somewhat ambiguous, still-emerging catalyst role.

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## ***Findings related to communications practices***

Minimally, every CFI participant seeks help with articulating this convenor role internally, and with communicating it to others — either when initiating convenor activity or when asked to facilitate/participate in this activity.

Developing communications strategy supporting this role is a challenging but necessary activity. The wrong approach to communicating catalyst capacity can be counter-productive ("the whole idea of convening is to work through others, so if we promote ourselves as a leader in this regard we can be less effective when we come to the table"). Community foundations seeking to convene need to be seen as even-handed facilitators, not self-serving organizations seeking to gain credit.

### ***Implications for capacity development***

Appropriate strategies for building broader awareness of the community foundation *catalyst role* need to be examined in the capacity development process. Strategic considerations may include developing key messages that reflect the nature and benefits of this role, establishing specialized communications programs and/or tools to support this role, and revisiting community foundation identity relative to this role. All involved in CFI believe there may be significant benefit in associating community foundations with this important catalyst capability, especially since this is a role that community foundations are uniquely positioned to play.

In addition, the capacity development process should help community foundations further assess opportunities and approaches for employing communications as a tool to enhance *grantmaking impact*. For example, communications requirements may need to be examined as part of the grant request/approval process. Similarly, the communications capacity of grantee organizations may need to be assessed and/or enhanced as part of the grantmaking process.

## ***Findings related to communications practices***

### **6. CFI community foundations conduct communications in a manner that is reactive and opportunistic, rather than strategic.**

In the community foundations world today, most communications work is initiated in regard to a specific publication (e.g., produce the annual report or a newsletter), event (e.g., hold the annual donors' dinner) or opportunity (e.g., issue news releases around a one-time community activity). Only two CFI participants have formal communications planning processes and written marketing/communications plans in place; and even in these organizations it is not unusual for communications priorities and resources to be redirected when a new opportunity or problem arises. As a result, these community foundations have difficulty staying "on plan and on message" with their communications efforts; this condition jeopardizes the achievement of their strategic goals and dilutes the use of their limited communications resources. Those foundations without formal plans lack clear criteria for evaluating whether particular communication activities are worth pursuing, or for knowing whether their time and money would be better spent elsewhere.

Overall, community foundation staff members working on communications are quite resourceful when it comes to accomplishing tactics, especially given the limited budget and staff support available, and the multiple hats worn by many of these communications practitioners. Several CFI participants are consciously pursuing a more strategic approach to communications planning and budgeting. Still, the prevalent question among community foundation staff and board members is "are we doing the *right* things?" They are sensing a lack of connectivity between communications activity and organizational strategy.

CFI participants seek the discipline and skill to ask (and answer) the following questions for each communication activity and expenditure:

- Why are we doing this? Does it help us accomplish our mission?
- Who is the audience for this activity? What specific objective do we seek to achieve?
- How does this objective relate to a larger organizational objective? What other activities are required to leverage this action and achieve our objective?
- How will we know if the activity worked (and if our resources were well spent)? What measures or criteria for success must we put in place?
- What process will we use to capture and benefit from learnings?

### ***Implications for capacity development***

Capacity development efforts should focus on developing strategic planning capability as well as techniques for consistently and successfully "working the plan," while also balancing the need for community foundations to be agile and effective in responding to appropriate opportunities as they arise.

## ***Findings related to communications practices***

### **7. Most CFI community foundations lack three critical dimensions of a strategic communications capability: research, audience segmentation, and measurement.**

Due to a variety of factors which may include limited financial resources, limited time, limited expertise, and organizational culture or tradition, virtually all CFI participants lack significant capacity relative to three essential ingredients in a truly strategic communications effort. These ingredients are related, and include:

- A. Market research** – understanding the characteristics and motivations of key audience groups who are important to the success of the organization. While some community foundations have invested in market research studies (generally aimed at identifying awareness levels or surveying donors regarding perceptions and satisfaction), these studies have typically been point-in-time events. There is no systematic approach for identifying market perceptions and needs over time, and relatively little data is available to support identification of target audiences and inform communications priorities.
- B. Audience segmentation** – breaking broad audience groups into specific segments based on defined, actionable characteristics; and prioritizing audiences for communications investments. While most community foundations can identify a focus on broad audience groups (for example, prospective donors, professional advisors, or nonprofit organizations), there is little specific segmentation within these categories. Several communications practitioners have a good sense (often based on their own or other community foundations' experience) for which subgroups to target; however there is a lack of formal emphasis on more specific segmentation when planning or implementing communications activities.
- C. Measurement** – defining metric systems, establishing quantifiable objectives within those systems, and monitoring communications activities and expenditures relative to those objectives. In most cases, desired communications outputs are stated as broad goals (e.g., "increasing awareness in the community"), with little ability or likelihood of measuring progress toward the goal.

### ***Implications for capacity development***

Communications capacity development efforts should include ways to enhance the disciplines of research, segmentation, and measurement within the financial parameters of community foundation budgets, with an understanding that these activities will ultimately bring new levels of cost-effectiveness ("more bang for the buck") to the communications effort.

**8. Most CFI community foundations lack a defined set of core messages.**

When moving beyond their mission statement and high-level positioning statements, very few CFI participants have an established set of messages that are used to guide their communications efforts. This absence of a defined and complete messaging structure hinders participants in two primary ways. First, it precludes them from delivering consistent messages to their key audiences, eliminating the reinforcement that is essential to long-term positioning, clarity, and brand development. Second, it creates inefficiencies and wastes resources, as central messages are reinvented each time the community foundation seeks to create a new communications tactic.

The lack of defined, sharp, easy-to-understand messages contributes to a situation wherein many community foundation staff and board members have a difficult time talking about their community foundation in a confident, clear way. In cases where confidence and clarity do exist among people representing the same foundation, the messages they deliver are frequently inconsistent, contributing to undesirable confusion and lack of reinforcement in the communications process.

In some cases, distinct features and benefits have been identified, but are not consistently used throughout the foundation's communications portfolio.

***Implications for capacity development***

The capacity development process should include a structure and approach to developing a clear messaging structure within each community foundation, as well as appropriate training of all community foundation ambassadors (staff and board) in the use of key messages.

## ***Findings related to communications tactics***

### **9. Most CFI community foundations allocate a substantial portion of communications resources to their annual report.**

Annual reports represent the single largest communications expenditure in virtually all of the CFI participants' budgets. In fact, budgeting for most of these community foundations is largely about estimating the cost of the annual report as well as a few other regularly produced items (typically newsletters and/or an annual donor event). Most CFI participants indicate that the annual report is their primary communications piece — it is used with donors, prospects, professional advisors, nonprofit organizations, and just about any/all other audiences.

This finding is certainly consistent with the project consultants' knowledge of communications practices throughout the national community foundation field; still, it is a somewhat troubling one. While annual reports are legally necessary documents, and can be useful communications tools, the field in general seems to have adopted a mindset that "my worth is measured by the cost of my annual report." (Project consultants have even heard of community foundations following "guidelines" indicating the appropriate number of annual report pages based on the size of a foundation's assets.)

By nature, an annual report is the antithesis of a targeted communications piece. This problem is compounded by the finding that annual reports, more so than any other communications piece, tend to be written as philanthropic documents for readers familiar with philanthropic principles and practices, using language and content that is not readily accessible to many target audiences.

#### ***Implications for capacity development***

The capacity development process should provide the means for examining the role of the annual report in each community foundation's communications plan, and for ensuring that investments in annual reports generate a positive return.

## ***Findings related to communications tactics***

### **10. Most CFI community foundations lack a balanced communications portfolio.**

Most CFI participants have a limited range of communications tools. Many lack some or multiple elements in what could be defined as a core communications toolkit for community foundations. Project consultants suggest that this toolkit should contain:

- *Stationery* – letterhead, business cards, and report templates
- *A flexible introductory presentation* – including talking points and visual aids (PowerPoint®, overheads, slides, etc.) suitable for use with multiple audiences
- *An overview print piece* – describing the purpose and capabilities of the organization, and introducing its basic "products" (i.e., funds) and "services" (i.e., donor services)
- *Case studies* – simple, personal stories that illustrate how the community foundation helps connect donors to the causes they care about most
- *A newsletter* – or other means of maintaining regular contact (at least 3 times per year) with key audience groups
- *An annual report* – providing a yearly summary of significant activities/impact, as well as a report against financial requirements
- *A website* – minimally, a professional-quality homepage with contact information; preferably an accessible repository of user-friendly information, with direct e-mail access to the foundation
- *A media kit* – minimally, a ready-to-use "fact sheet" to assist members of the media in accurately reporting on (and positioning) the foundation
- *A graphic identity guide* – an internal tool containing guidelines for consistently and effectively presenting the foundation's graphic identity
- *Databases* – capturing information and key attributes for donors (i.e., age, gender, marital status, children, how the individual found out about the community foundation, etc.) as well as professional advisors; with the ability to segment databases and target populations for special communications activities

These elements provide core components that can be applied to support varied strategies developed by each community foundation — including media outreach strategies, grantmaker communication, donor development, etc.

### ***Implications for capacity development***

The capacity development process should include identifying and sharing best practices for each of the above items, as well as establishing systems for evaluating the use of these items and improving their effectiveness and efficiency.

## ***Other items of note***

This section contains two other items that surfaced during audit and assessment activities and merit further exploration in the capacity development process.

### **Outside communications resources**

At least four CFI participants (Orange County, Sacramento, Sonoma County, Riverside/San Bernardino) engage external communications resources — such as marketing firms or communications consultants — to help shape communications strategy and conduct planning. Virtually all participants engage outside communication providers periodically to help design, write, and produce communications tools.

This reliance on outside suppliers is likely to continue, and in some cases increase, as community foundations expand their communications activities.

### ***Implications for capacity development***

This condition raises questions that should be examined in the capacity development process, including:

- What is the capacity of community foundations to effectively evaluate, select, and manage external communications resources?
- What is the best approach/method for helping these outside resources acquire a rapid but thorough understanding of community foundations — to both increase the impact of their communications activities and minimize the community foundation investment required to bring each new resource "up to speed."

### **Communications budgets**

Most (perhaps all) CFI participants are likely to encounter the need to increase the size of their communications budgets to achieve their desired levels of increase in communications impact. However, the appropriateness or inappropriateness of current budget levels will not become clear for most community foundations until they engage in the process of more strategically planning their communications effort against defined objectives. At that time, a more quantitative cost-benefit analysis will enhance evaluation of potential communications expenditures; conversely, a more clear understanding should also emerge around just how much/how little community foundations should expect to accomplish within their current communications budgets.

### ***Implications for capacity development***

The capacity development process should provide the means for facilitating this budget analysis, and help make the communications budgeting process a more objective activity within each community foundation.

**Assessing communications capacity: additional criteria based on group findings**

Based on the group findings presented in this report, CFI community foundations should consider the following criteria in future communications capacity assessments. The number of CFI community foundations currently meeting each criteria is illustrated below.

<i>Audit and Assessment Criteria</i>	<i>Community Foundations Meeting Criteria</i>							
	1	2	3	4	5	6	7	8
<b>Communications Values</b> Has an organizational culture that incorporates communications as an institutional value								
<b>Communications Practices</b> Leverages communications to enhance grantmaking impact								
Leverages communications to advance catalyst activities								
Conducts communications in a manner that is strategic and proactive								
Has market research capacity and conducts ongoing research								
Effectively utilizes outside communications agencies and consultants								
Has appropriate budget based on strategic communications objectives								
<b>Communications Tactics</b> Allocates an appropriate portion of communication resources to its annual report								
Has a balanced, complete communications portfolio								

The above items, in combination with the criteria listed on page 5, provide an overview of CFI community foundation capacity in the communications arena today. These findings will inform the CFI communications capacity development process.