

What Donors Want, Episode #9 – Andy Bryant, Segal Family Foundation

The following is a transcript of the October 24, 2018 [episode](#) of What Donors Want, a podcast about fundraising from a donor's perspective produced by [I.G. Advisors](#). On this episode podcast hosts Carlos Miranda & Rachel Stephenson Sheff interviewed Andy Bryant, executive director of the New Jersey-based [Segal Family Foundation](#), which supports a variety of organizations across Sub-Saharan Africa. Examining specific examples of the Segal Family's generous giving as well as broader questions of how best to interact with funders as an organization soliciting assistance, this episode provides new perspective on the often-murky world of donor-grantee relations.

[Podcast introduction.]

Carlos: Hey, guys, I'm Carlos Miranda. Welcome to What Donors Want, a podcast by IG Advisors. I started IG in 2011, and we're a London based social impact strategy consultancy on a mission to bridge the gap between fundraisers, corporates, and philanthropists. At IG we have unique access to both donors and fundraisers and want to help them better understand one another. And so, we bring you What Donors Want: a fresh, dynamic, and slightly irreverent view into major gifts fundraising from the donor's perspective. In each episode, we'll interview a donor and get right down to it. What do they actually want from the fundraisers who cultivate them? This advice and more straight from the donor's mouth.

Rachel: And welcome back to What Donors Want! I'm Rachel Stephenson Sheff, and I work with Carlos at IG. I'm also the producer of What Donors Want, and I'm so excited to share this next episode with you. We hosted our second live recording with a live studio audience where we spoke with Andy Bryant, executive director of the Segal Family Foundation. It was a really incredible morning. Thank you to everyone who came out and enjoy the episode!

[Live show begins.]

Rachel: Welcome, everyone, to our live recording of what donors want. For listeners, we're coming at you live from the Hospital Club, in Covent Garden. It's a brilliant London sunny morning. We're wearing Britney headset mics, it's a pretty good scene for those of you who aren't here, and I'm going to turn it over to Carlos Miranda, IG's founder, who's going to introduce today's guest.

Carlos: Well, thank you very much for that, Rachel. Welcome, everyone—it's a pleasure having you all here this morning. I am thrilled to be here. This is our second live recording, and I think we've really stepped it up. This is an amazing live audience. So, what are we here to talk about? We're here to talk with our wonderful guest, Andy. Rachel will introduce Andy, but I just want to talk a little bit about the

Segal Family Foundation, which Andy is the executive director of. The Segal Family Foundation is among the most generous and influential international development funders, based between the US and East Africa; they believe in a world where development is steered by grassroots leaders and power is shifted into the hands of communities. Their mission is to change the power dynamics inherent in traditional philanthropy and prove that a new, more equitable, and responsive approach is not only fairer, but also more effective. The foundation funds 200 organizations working in more than 20 countries in sub-Saharan Africa, for example, through their highly praised African Visionary Fellowship, which I'm sure we will learn a lot more about.

Rachel: Yes, and of course, we are thrilled to be here live with Andy Bryant, the foundation's executive director; guided by his belief that local solutions are the best solutions, Andy leads the foundation's team and implements the vision of the Segal family. Since joining, he has overseen an increase in the foundation's annual giving from \$2 million in 2010 to over \$12 million in 2017. He's worked in international development in many years in Africa and Asia, including positions with the Tanzanian Children's Fund and TechnoServe, and he completed a BA from Princeton University in 2003 and subsequently graduated from Syracuse University in 2007 with an MPA in International development. He also served as a Princeton in Africa Fellow. He currently serves on the board of Directors for Komo Learning Centres, Last Mile Health, and Spark MicroGrants. And finally, of course, we want to send a huge thank you to Andy and to the entire Segal family and the foundation for making today's live recording possible. We're really excited to be here, so thank you for that. Let's give a big round of applause for our fabulous guest.

Carlos: All right, this is my favorite part of the podcast.

Rachel: All right. Exactly. So part of our irreverent brand is always starting our podcast episodes off with a speed round of silly questions, and that's to be fun, but it's also to promote the idea that donors are actually people, and he has a job just like we all do, and we all binge watch shows, and it's really important to remember that. So full disclosure, Andy has not seen these questions, and this is live.

Carlos:

He's sweating.

Rachel: Some compassion, for sure, but pretty harmless. And you know the drill.

Andy: You— that's what you think.

Rachel: You've heard our episodes, before, so all right, I think we're going to dive into it. Question number one: what was the last show that you binge watched?

Andy: Bachelor in paradise.

Carlos:

All right, so if the world was going to end tomorrow, what would your last meal be?

Andy: Masala Zone. We had an amazing Indian meal last night, just down the street.

Rachel: All right, that's awesome. Who is your dream dinner guest, dead or alive?

Andy: How about my four kids? My two stepchildren and my two babies, when they're adults.

Carlos: So, what is your next dream travel destination?

Andy: Nairobi, Kenya. For our annual meeting next week, I get to see 200—actually 400 people that I love—funders, friends, all of our grantee partners.

Rachel: That's awesome. What is your favorite guilty pleasure movie?

Andy: So... The Bachelor in Paradise hasn't been a feature film yet.

[Laughter.]

Rachel: That's a good idea, though.

Andy: Oh, gosh, I don't know. Probably... Oh. When In Rome? Love Actually.

Carlos: Given that you're based in Jersey: Springsteen or Bon Jovi?

Andy: Got to go with the boss. Springsteen.

Rachel: Sweet or savory?

Andy: Savory.

Carlos: Coffee or tea?

Andy: Coffee. In fact, my resting state is sort of lethargic and confused, so I pump myself full of caffeine every day.

Rachel: Beach or snow?

Andy: Beach or snow? Oh, snow. You can always dress up. You can't dress down when it's too hot.

Rachel: I agree.

Carlos: You're both wrong. [Laughter.] If you could be the lead singer of any cover band, which cover band would you choose?

Andy: That's a great question. I think Journey. We don't stop believing at Segal Family Foundation. Perpetual optimism.

Carlos: Fair enough. Okay. You've done the speed rounds.

Rachel: That's the hardest part.

Carlos: I hope that was a good advice. Okay, so on to the second part of the podcast, which is, of course, the meat of why we're here. This is deep diving into your work at the Segal Family Foundation. So, Andy, as Segal's executive director, can you give us an overview of your primary responsibilities in this role?

Andy: Sure. Yeah. And I thought I would frame this through our core values, so bear with me. The first of our values is Be Bold. And so, me being here, tapping my feet, knees quaking is an example of me being bold, and going out on a limb. In our work, though, it means that we place fairly high-risk bets on really early stage and mostly African-led organizations with unproven impact and largely unproven concepts, but we believe in the visionary leadership of the organizations. We believe it's important to support local solutions and local rockstars. That's the way we sort of are bold and punch above our weight. The second is around building community—I mentioned our annual meeting coming up in Nairobi next week. And the idea is just to create sort of an even playing field. And sometimes that's a dirty word, or dirty phrase. But we want to create a nice, safe space where donors and doers come together in an equitable fashion. Where there's not sort of this power dynamic that's inherent in traditional philanthropy. Easier said than done. The third core value is learn and innovate. So, we kind of jam two together, and I think the way we sort of practice this is trying to be just painfully transparent.

My cheat sheet today is our theory of change. It also doubles as a place mat—for the millions listening at home, this is a huge piece of paper—but this is on our website, along with most of our grant making processes, and I think probably more information than any would-be-grantee or fund or friend would care to absorb. We're trying to sort of open up our seedy underbelly of how things work or don't work at Segal Family and lay it all out there for better or worse. And we learn a lot when people say, "that's really dumb how you do things" in this way and say, well, either we justify it, or we try to make changes. The reason I brought this cheat sheet is I didn't want to get this next one wrong. Our fourth core value is fighting for fairness, and the tagline is: we use our platform because we have power, but others who are deserving do not. Carlos, you sent out a really cool tweet yesterday or maybe the day before, saying: "It's been a

tough week, and I want to name check our rockstar team,” who are mostly young women from the sounds of it.

And I wanted to name check our team really quickly, I promise. Beatrice, Carolyn, Dado, Denise, Katie, Catherine, Liana, Patricia, Rose, Sarah, and Virgil. And these 13 fellow Segal family rock stars are either women, African, or sexual minorities, or a combination of the three. And they oftentimes don't get a platform like this. And I—by virtue of having a cool title and not necessarily my tremendous wit and charm—do get these kinds of opportunities, so I wanted to sort of give them a shout out. There's another group of people who aren't represented, which are our partners. The final one is trust. And at single family, we kind of over time have realized that we need to flip trust on its head, too. It's our obligation as funders to earn the trust of our grantees, not the other way around. And one of the ways we do that is that we are constantly championing our partners. I wish that we had more of our grantees here today. We only have one brave soul, Sasha from Spark MicroGrants here. But we are proactive champions of our partners. We're trying to constantly convince other funders to open their purse strings and cut checks to our partners because we vouch for them, we know them really well, we're proud of the work they do, and we think it needs to grow. That is sort of our four, five core values. What that means is I basically don't do much except for speak to people, try to convince people of our good work, our good taste and partners, and then sort of oversee the fantastic work of our team in East Africa and New Jersey.

Carlos: Very cool. Unlike many other large foundations, right, Segal has an open application portal on its website that invites applications from organizations on a rolling basis. You can see everybody checking their phones right now being like, what? This can be both a blessing and occurs for fundraisers, right? Because it's easier to apply but harder to stand out. So when does relationship building come into the grant making process for you guys?

Andy: Sort of in a roundabout way. I mean, it comes before anyone would apply. The reason being is we do have an open application portal, for better or worse, as you said, it's a dictate from the board of directors. They wanted to keep things open and basically open and receptive to new ideas, unfamiliar organizations, and work. But by and large, everything that comes through our application portal, those successful grant seekers are coming with the strong vouch from trusted existing grantees and funder friends. And so there's not a lot of folks who are coming to us completely unfamiliar and actually succeeding. We recognize that having an open application process means that a lot of people are applying that are not successful, so we've tried to pare down the application to be as unburdensome as possible. And we take the bold step of completing the application ourselves periodically to see just how painful it is and how time consuming it is, which is, by the way, a good recommendation, I would say, for donors in general, is just slog through your own processes and see how painful it is. Yeah.

Carlos: And would you advise organizations to submit through the online portal without reaching out first and trying to develop a relationship?

Andy: No, not at all. And the thing is, we have nine East African staff on the ground across four country offices Kenya, Tanzania, Rwanda, and Malawi. So, if you're operating in a country in East Africa, there's a really good chance you're going to come across our staff or some of our other partners, and you should be able to build some of those relationships and understand how the foundation works—or doesn't, sort of our idiosyncrasies—before you have to apply.

Rachel: Yeah, I think that's really interesting to hear because oftentimes the open portal can be very tempting because it seems easier. But relationship building is everything, so it's very cool to hear that. So once an application has been submitted and assuming that there has been some relationship building as part of that, can you give us a glimpse into your typical due diligence processes? Who are the internal stakeholders that need to be bought in?

Andy: Sure. Like a little history here. Back in 2010, when I started with Segal Family Foundation, I was parachuting into East Africa four or five times a year. I would visit an organization, Kenya HealthCare.org, in the afternoon for a few hours after a long dusty ride. Maybe I was jet lagged, maybe I hadn't had enough coffee for the day, and then running a diligence of sorts; trying to understand that organizations worth and their place in the landscape of Kenyan healthcare, coming back to the states and pitching them to the board and making really what is a momentous decision for early-stage work. Our money can be catalytic and the lack of it can be debilitating, perhaps. And that felt really insufficient, and frankly, irresponsible. So that was our sort of Eureka moment when we started building a team on the ground and establishing some bona fides as, having some localized knowledge and boots on the ground and being able to tap into the grapevine of who's doing good work and maybe not. So, long story short, our diligence process pretty much begins and ends in East Africa with our programs team. Our program staff in each of these countries that we focus on are constructing country strategies.

They're looking for places where our small dollars and our grants run from 100 to 1000—small depending on the room you're in, I guess, right? We try to pick our spots. So in Kenya it might be STEM education that matters, and in Uganda it might be disability rights. We're trying to understand and identify sectors in places where our fairly small dollars can be catalytic and meaningful, and perhaps sort of start a little bit of a trajectory for those organizations to build stronger and bigger revenue and organizations.

So, the country strategy is the start. And then our program staff on the ground are sort of running typical diligence processes calls, site visits, document review, pinging our networks to try to understand how good, bad or ugly an organization is operating. And then they're bringing it to our greater team on a monthly basis. We do have these monthly grant calls and it's a five-hour slog combination of Zoom, Skype, WhatsApp, Telegram, whatever we can do to communicate across a bunch of countries. And we're sort of democratically slogging through decisions around an organization trying to place in the context of our portfolio, in the context of the country in which they're working and making, I hope, more responsible decisions than what we used to.

Rachel: That's great. And a quick follow up question to that. So on your website, you state that organizations are more likely to be considered for a grant if they're small and early stage, but also if they demonstrate at least two years of operations and successful fundraising. So we're wondering what does demonstrating successful fundraising look like to you? Look like to a fundraiser?

Andy: That sounds like a contradiction, doesn't it? I need to rephrase that on our website. I guess what it sounds like is it's a Goldilocks situation, and that's what it is. We're looking for a certain type of organization, so we don't think we can support organizations that have no track record whatsoever, but we also feel like our sweet spot is to come in fairly early with orgs just a couple of years of working their way towards the proof of concept, and be meaningful with our capacity building, our dollars. But the question was...

Rachel: What does successful fundraising look like to you? If an organization was trying to demonstrate that they were in a healthy financial position, what would they need to demonstrate? What kind of materials would they need to show you...?

Andy: Yeah, I mean, I think most of the organizations are coming into our portfolio with a median budget of like \$150,000. So really small folks. But in that \$150,000 you find friends-and-family money, maybe a couple of institutional funders—people with foundation in the name, maybe a little bit of bilateral or INGO passthrough. But I mean, a successful track record of actually having written some grants and won them. The reason being is we're really trying to support an organization's growth in their revenue and if they don't have sort of that resource magnetism to begin with, it's going to be really challenging to support them to grow that.

Carlos: So, we've talked a little bit about the fact that the Segal Foundation is a family foundation, right. And that's a unique entity in many respects. Right. Can you tell us a little bit about the role of the family when it comes to the strategy of the organization and the decision-making process, and what your role as executive director is in that context?

Andy: The person between a rock and a hard place is what this is. No, I was trying to think of the perfect metaphor for this, and I came up with a really imperfect one, which is I feel like I'm the sort of a rock in a fast-moving river, and the family is this sort of bedrock that provides the lane of the river, the banks and the bank, no pun intended. And then our staff on the ground are the sort of fast-moving, dynamic river itself. And I'm sort of getting rubbed between the two. But basically, my role is to represent the family's broad-strokes vision, interpret it, and then take the incredibly fast-moving logic of our team and try to interpret that in turn, so I'm a bit of a translator. The family has basically given us a lot of agency—an amazing amount of agency as a staff—to figure out how things should work on the ground. To their credit, they've recognized that a well-meaning Jewish family in New Jersey that made their money in construction materials may not be the best placed folks to be designing community development agendas in East Africa, and they've hired up East Africans. I get to be this awesome cipher between the two.

Occasionally the sort 'family foundation caveat' comes up. Or maybe that's your next question. When we get random stuff coming our way, sometimes that random stuff is the best kind of bet. And we've had a lot of grantees in our portfolio that came from the family, as opposed to our diligence process, that are our longest standing in favorites.

Carlos: Yes, that was going to be my follow up question. So points for you. But what happens, though, because we do work with a lot of family foundations, right? And sometimes, no matter how good the strategy, no matter how good the staff, a project comes along that is not focused on what you're supposed to be doing, doesn't fit your theory of change, doesn't fit your strategy. Can you talk to us a little bit about that process? Is there a separate fund for projects like that? What happens when you come across a project, or a family member really wants to fund something, that's kind of outside of scope and strategy?

Andy: Yeah, the process is pretty straightforward—we fund it. We have slapped a lot of monikers on these. For a while we called it 'cocktail gives', you know? Boss goes to a cocktail, meets someone really cool and dynamic, and on Monday morning you hear that you're \$10,000 in the hole to a new org—you've got to figure out, okay, well, legally, can we get a tax exemption out of this? Then we called it the 'Special Opportunities Fund.' For a time, we called the 'Oddball Fund'... That didn't fly. [Laughter.] Like I mentioned, the awesome thing about having an excellent team that is really sort of trying to think through the really specific and focused challenges facing communities in sub-Saharan Africa is that they have tunnel vision in a positive way, which means that we bring in very homogenous—awesome and visionary organizations—but homogenous. And so, that's actually the beauty of a family foundation—there's a sort of outlet for bringing in zany, oddball special opportunities from cocktail parties, just combining it all in one sentence. And like I said, that's where some of our awesome, our best grantees—take Sasha from Spark MicroGrants. Not to toot one's horn too much, but my boss, Barry Segal, gave her \$2,000 when she was graduating from University of Vermont about nine years ago.

He said, 'you seem like a nice young Jewish girl. I don't know what you're doing. I'm not sure it makes sense. But here's two grand. Go to Africa. Have fun.' [Laughter.] That was her first two grand. She's now got a \$2 million operating budget. They're reaching hundreds of communities across East Africa. With this sort of model of community driven development, I would consider her, like, this roaring success—I'm also on the board, so I'm completely biased—but that came because of his sort of zany, contrarian attitude. So the family stuff is some of the best stuff.

Carlos: And are there any tips that you would have to fundraisers out there? Kind of a little more general—when approaching a family foundation, is there anything from the point of view of cultivation, stewarding? Is there anything kind of unique, not necessarily to you guys, but to the family foundation world that you would recommend to fundraisers?

Andy: Yeah, this would be a great question for some of the NGOs in the audience. An exasperating one, I'm sure. I think when you're approaching family foundations, with any sales, right, you're trying to identify the needs of your customer. And I think with family foundations, doubly so relative to maybe mega granters or other sources of funding, you're looking at sort of the needs of the organization, yes. What does Segal Family want? I mean, read through the guidelines, they're all there on the website. But I think you also need to look at it sort of like an individual level, what speaks to that person? And that's where you need to sort of go through like, a decision tree; there's no real prescription for family foundations because they are all so different and bizarre. High net worth eccentric is sort of a redundant term, but I think you need to think about how do you communicate with this individual? Are they a KPI guy or are they a heartstring, anecdote person? Are they email person or are they sort of like; 'you need to come visit me in person'? There are a few simple questions you can kind of develop, almost like a unique menu for each individual family. And that's a pain in the butt, but I think ultimately lead to more success.

Rachel: Yeah, that's a great answer. So, moving on to more idiosyncratic things. We often get asked about the characteristics of American donors. We get asked this all the time in the UK and how fundraisers outside of the states—so, for example, many of the people in this room and people who are listening—how can they tell her their approach to engage them? So Andy, as a US-based funder who grants to organizations all over the world, a): do you notice a difference in the way that you're cultivated from non-American fundraisers, and b): do you have any tips?

Andy: Sure. Well, firstly, I like to think of us as an Africa-based funder. That's where our heart is and that's where our decision-making happens. And it just happens to be that the family and the money exists in the States. But looking at our principles, our family, I think with Americans—if you can generalize, and we sure can—I think we're allergic to nuance, maybe.

Carlos: That's what it says on my business card.

Andy: I mean, get to the point. Right. [Laughter.] I find it one of the things that a lot of our African visionary partners have asked us to do is help polish their pitches, to move them from sort of a circuitous route to a really straightforward one, move us from a six-minute description of your work to the thirty second version. And I think that probably resonates with a lot of American funders. It's kind of 'duh', but the more you can be really straightforward and straightforward and blunt and try to get to the value proposition as quickly as possible, I think you'll find more success there?

Rachel: Absolutely. And how do you feel about directness around figures and direct solicitations? Do you find that there's a difference as well in how people approach that specific moment of the relationship? Or are there any tips around that?

Andy: I don't know if it's like a lot of funders and maybe only American funders or maybe funders in general. I flipped to the last page of everyone's proposal. Right. The budget. I want to understand sort of

what we're getting. And we don't bother ourselves with things like overheads. Kind of consider it like making the sausage—I kind of want to know what's going into the factory, and see what's coming out, but I definitely don't want to understand what's happening in the middle. We try to look at the impact from that sort of initial input proposition, but yeah, I think that's the most important—I think we're figure centric, yeah. We want to get to a budget, we want to get to a point and certainly with an ask, yeah; tell us what you need and hopefully we'll meet it, and we'll do it in the form of unrestricted funding.

Rachel: So, when you say that overheads don't matter, you mean that you are very comfortable funding them at what you want to see other numbers around direct program delivery and impact?

Andy: Yeah. I don't care where you spend money. I just want to see that impact at the end of the day. Every model is different, right? Some people might have to put an incredible amount of money into fundraising London-side or US-side in order to accomplish something awesome on the ground in Burundi, c'est la vie, we'll take it. As long as that something gets accomplished on the ground in Burundi.

Carlos: I think every NGO in here and every organization in here is like, oh, my God, please tell that to every single one of our donors. So you've won a lot of fans.

Rachel: Yes, definitely.

Carlos: So you've touched on why it's important to you guys to kind of challenge the power dynamics in traditional philanthropy. Tell us, why is that important to you? Like, what do you care?

Andy: Yeah, well, I'll give you a stat. We looked at the revenue of all of our 200, actually about 300 partners. So a lot of former partners, as well as much clean revenue data as we could get, as many years. We sort of kicked out some outliers and had still a decent sample size. And what we found was our African-led partners grew half as quickly as our expat-led partners, when they came in sort of similar size, stage of maturity, budget. And then we took a closer look at that, and we realized that the impact, per-dollar, for the African-led organizations—the locally led organizations—was oftentimes as good or better than some of the expat-led efforts.

And then we started questioning why... and there's a lot of bad reasons why; they don't have tax-exempt status. They're not 501c3 in the States or the equivalent in the UK or elsewhere. Oftentimes they don't have sort of Western donor networks in place because they didn't go to MIT, they didn't grow up as a Boston Brahman or whatever the equivalent is here. They didn't have boards or champions, people to raise money on their behalf. And we kind of thought that that was unjust. Reverting back to the impact proposition, we saw that oftentimes local solutions are more impactful because people have lived in the place and understand that place better than any one of us ever could, parachuting in like I mentioned. They're more sustainable. If you think of things like the Ebola scourge, when Ebola happened in Liberia and Guinea and Sierra Leone, INGOs bounced. All the expats left. I mean I'm being a little bit hyperbolic,

but the people left providing basic health, education, livelihood services for millions of people in West Africa were in fact those local organizations. Same thing with political turmoil. There was an attempted coup in Burundi a few years back in 2015, and Save The Children was gone. A lot of the INGOs operating, they were gone. EU money fled. Forty-five percent of their budget gone overnight. The people that were left holding the bag were Burundian organizations, healthcare providers and educators.

So when I say sustainable, there's enough of these sorts of hiccups that to put it lightly, there's a real value proposition. And frankly, yeah, it's justice. We think choice should be pushed as close to the beneficiaries of those choices as possible. In other words, self-determination, right? We need to have people—Burundians should be leading Burundian community development. That sounds fairly simple, but it's actually not done. Ninety-eight percent of foreign aid in sub-Saharan Africa goes towards international organizations. What's left is two percent. Two percent of funding goes directly to local organizations. That's bananas, right? What if that was the case here or anywhere in the West? It's just plain unjust. That's sort of why we get on a soapbox about this stuff. And that was where the Africa Visionary Fellowship was born. We basically skimmed our most exemplary local rock star partners. We put them into this fellowship, we capitalized the A, the V and the F to make it sound super important, and formal. And then we asked them, now what? And we put all of our African Visionary Fellows in the first year in a room and locked the door and Segal Family's team left.

And when we gave them two hours, they stayed for four. And they came out and they said, listen, this is what we need from you. This is how we need you to help us juice our revenue and convince Western funders that we are awesome. And we can be even more awesome than some of the expat-led efforts out there. And that was another eureka moment for us, which is that we can do this. And since then, that's really, we've become fixated, focused, rabid about sort of pursuing this notion of 'local solutions are the best solutions.' And it's been borne out. These organizations are growing really quickly. The capacity building that they've asked us to provide, not that we've prescribed for them, I think is helping their organizational health and they're becoming more resilient and stronger and they're definitely becoming more badass. We take them to Skoll World Forum, for example, last April, and they're pitching to Western funders, and they are shining on the same platform and pedestal as some of the expat rockstars. And this isn't to give short shrift—we have a lot of awesome expat-led organizations in our portfolio—but they just have more advantages and more opportunities. We're trying to do affirmative action in a way here. I'll step down from the soapbox.

Carlos: It's a great answer.

Rachel: No, stay up there.

Carlos: The 21st century version of a soapbox is a podcast.

[Laughter.]

Rachel: Exactly. And that's an amazing answer. Okay, so now, getting back into those relationships and with your grantees. So what is the most common mistake that fundraisers or organizations make with the Segal Family Foundation?

Andy: Well, two things. So firstly, not finding those common touchstones. So, if you're a Kenyan nonprofit, if you don't know one of our 55 partners or our five staff based in Nairobi, then it's kind of weird, you know. It's a huge country geographically, but it's a small country when it comes to just the crème de la crème of innovation and visionary local organizations. So, if you can't find those people, build relationships with them, and cite them in your application, then that's an issue. Secondly is just reading the fine print—and we try not to make it fine, we put it in like 16-point font—but we've got a compendium of different things we're looking for or not looking for on our website. And I hope it's a sufficient amount of detail where, you know, that would be a two-hour waste of my time to apply, or I'm genuinely suited. And there's no greater sort of convincer of oneself that one is suited than an NGO applicant. But if you're really sort of objective about it, I think that there's enough detail there that you can figure out yea or nay on whether to pull the trigger on an application.

Rachel: Yeah, your website is quite detailed.

Andy: Thanks—wait, is that an insult? Or a compliment?

[Laughter.]

Rachel: It's a good thing. It's absolutely right, people. It'd be very easy to figure out if you were aligned.

Andy: Well to that point, I think as funders—and not to call out UK and continental Europe—but I mean, there's a lot of funders that operate in a very 'black box'-y approach with minimal information, if any. Right. It's exasperating when I have a call with a funder, and I can't look online and find just minimal information on them. And it's confusing, too. I just don't understand why you don't want to sort of push as much information towards the grant seeker as possible. I think there's ego, there's sort of some miscarriage of justice there. There's a lot of things that go into it, but it is pretty inefficient as well, definitely.

Carlos: So, you've already singled out in a wonderful way, Sasha and Spark MicroGrants. But can you go a little bit into more detail of kind of, who's your dream partner, your dream grantee, and what are their key attributes and why do you look for them?

Andy: Yeah, sure. If I close my eyes and think about our dream grantee... I think of a lot of dream grantees, but I actually come back to our team in East Africa. We've hired up and built our organization in the image of the partners that we seek to support with grant funding. So I think about the characteristics

of our team, and I think they all have wildly ambitious ideas. They all have some track record of actually doing, they have strong CVs. Despite sort of being in the clouds with their ambition, they're firmly tethered to the ground in the form of like, they are community driven. And what that means in terms of a grantee is actually real, legitimate feedback mechanisms. And you can actually yea or nay on that. You can tell from a site visit, from reading through an organization's documents and stuff, whether or not they are legitimately committed to hearing and incorporating the voices of their beneficiaries and their work.

For us at Segal Family, it means doing these closed-door, throw-away-the-key kind of sessions with grantees where we say, what are we doing wrong, what are we doing right, you know? And semi-anonymous sort of feedback. We did what's called a grantee perception report this last year where we paid 30 grand to have our partners tell us the good, bad and the ugly of our work. Turns out we're awesome at some things and we stink at other things, like answering emails: terribly unresponsive, one of the worst funders there. And so that was actually really good, eye-opening food for thought. And so we want partners that similarly are willing to take the good, bad and the ugly from their beneficiaries through legit feedback mechanisms. And I think the other thing I think we idolize, we lionize, are the social entrepreneurs at the helm of our partners. It's a concept called 'heropeneurship', right? It's written by someone at Skoll, and they said basically, like, we just need to stop worshiping at the altar of these individual social entrepreneurs and like, yeah, I agree. But also, the organizations that are coming into our portfolio are so small that the vision and the thought leadership is usually captured in one person. So that's fine, that's a starting point. But what we want to see is a commitment—a legit commitment to sharing that thought leadership over the time, the desire to build out a bench so that yeah, if the 'hit by the bus' thing happens, or if you win the Nobel Prize and move on to something bigger and better, there's an incredibly visionary organization in your wake, not just your own vision.

Rachel: That's great. Well, you sort of touched on this before, but we'll ask it anyway in case something comes to mind. Have there been instances when an organization—maybe something not coming from one of the family members, but something coming from you and your team and the relationship building process—have there been instances when one of those applicants has knocked it out of the park so much that you've decided to make a more risky or more unusual grant that's a little bit outside of scope?

Andy: Yes. We've even invented entire programs to do this, for a while. What do we have? We called it surge funding, and it was a three year, just like \$500,000 grant, to a select number of partners. And we kind of get away with it because we realized that we were building a program around some rockstars, when we actually just needed to call it a one-off kind of thing. But yeah, and it is a lot of these sort of Africa visionary fellow organizations where they've been eking along, doing tremendous work, reaching tens of thousands of beneficiaries on fifty grand, just ridiculous return on investment for an early-stage organization. And we just couldn't help ourselves, but to make a big bet, take them from ten to a hundred thousand dollars, which for us is a big transformative grant overnight so that they can hire that dev director. And lo, you see them grow from 50 to 500 in a year because they actually had someone other

than the founder writing grants and actually being able to put time and effort and specialize in going out and doing this sales job.

Carlos: So once the grant has been committed, what are the most common mistakes you see organizations making that kind of turn you off from committing additional support?

Andy: Yeah, I suppose it's pretty straightforward—people who don't follow up. And I understand, you put so much energy into winning this grant. We're trying to be unburdensome, but frankly, we're still a burden on an organization, which means that there's probably a fair amount of relief and excitement about winning that grant. But then the enthusiasm and the momentum can't stop there. We need people to stick to their reporting guidelines, and that's really simple, that's basic housekeeping. But you'd be surprised how often people don't hit those marks. Again, we're trying to be painfully transparent about 'this is when we need to hear from you'. And you gave us your milestones. For the most part, we're asking partners for milestones, not trying to make up a new set to be a burden. But yeah, report against those things that you told us you would by such and such a date, and we'll try to turn around and reciprocate. That's something that funders don't necessarily do all that well, is reciprocate and hit our marks with deadlines. But we're trying to be the change we want to see in the world.

Rachel: Amazing. I love it. All right, well, I think this is perfect timing. So final question from us and then we're going to open it up to you guys. What is the one key thing that you would want a listener to take away from this conversation?

Andy: I think the one thing is unfortunately an exasperating one and a challenging one for a grantseeker, is that if you've met one funder, you've met one funder. Every funder I've ever met is materially different in their processes, in their taste, in the way that they want to be sold or pitched to, so there's no recipe, there's no prescription for how you engage funders. It's that decision tree, it's a series of this-or-that that takes you to developing sort of a unique profile for that funder that can ideally be useful in engaging them and you just have to try that out. And it's a lot of upfront work, but I think ultimately, it'll pay off at a higher sort of rate than kind of a one size-fits-all-approach. That might sound like common sense, but I've seen it in our most successful partners. They actually put in that legwork upfront to develop those unique profiles and those are the folks who are building their budgets, and revenue is growing at a good clip.

Rachel: Yeah, we've heard that from all guests, pretty much. No, it's a great thing, especially I think it's so interesting, we've had such a diverse range of people that we've interviewed, and they've all said that same thing, that it needs to be bespoke and it needs to be a partnership. So it's great to hear it echoed, amazing. All right, so we are going to put it over to you guys. We've got two floating mics, one at the back and one at the front if anyone has any questions for Andy.

Carlos: Please introduce yourself and say what organization you're from.

Rachel: Exactly. And your voice will be on the podcast, full disclosure.

Audience Member #1: Hello, I'm from Scope. My name is Sabina. Yeah, you talk a bit about trust, and I just wanted to ask you a bit about how you start to kind of trust the charity, and what they do to build that up with you, but also what you think is reasonable for a charity to kind of expect to trust a funder. So I used to work for Trade and various other places, and we'd have a lot of debates about when should a potential funder go and see the work. I think a lot of charities have this debate, basically, of when can we trust the funders serious enough in us to want to go out and see the work and when that balance, I guess.

Andy: Yeah, I try to shy away from comparing these relationships to sort of real-world relationships, you know? But a lot of trust is born of this sort of time, effort, listening, and execution. We've put in a lot—the nice thing we have is that we have our team on the ground, and so we're connecting with funders and interacting with grantees all the time. We've got cocktail parties, we've got workshops, we've got our annual meeting, we've got all these in-person gatherings. There's no real substitute for that. I think that in-person time is what breeds that trust and reciprocity, sort of the grounds for a real relationship. That's a great question in terms, of from the grantee's perspective, of when you can start trusting a funder. I think once bitten, twice shy, and probably every grantee has been bitten. NGOs are right to be cautious and sort of being honest and open about their challenges. I was on a panel the other day and it was the release of a report around capacity building. One of the things was, from the onset, there should be open communications between grantees and funders and it's like, what? If I was a grantee I wouldn't be openly communicating like, what keeps me up at night or what scares me or what problems or challenges were facing from day one. That's complete... rubbish.

Carlos: Just look at that.

Andy: I was going to say bullshit, and now I said it.

[Laughter.]

Andy: You have to put in sort of 'sweat equity' and honest to goodness time, and that's one of the reasons why we're trying to expose our own sort of heartaches, flaws, what keeps us up at night, so that there is a feeling of reciprocity. We have the luxury of doing that earlier, and we understand that it's going to take a couple of years before grantees can do it in turn. Ideally, through those touch points on the ground, you start building that relationship where that feels possible and it's not always possible and that's very fair and we get that.

Audience Member #2: Hi, Pippa Garland, charity lawyer at Bates Wells & Braithwaite. Firstly, thank you so much for the really informative and entertaining discussion, I think we've all really enjoyed it. You've spoken quite a lot about your country strategy at Segal Foundation and the many benefits that have come from that, and it makes a lot of sense and I suppose you almost wonder, why is everyone not doing this?

So I wonder if you could speak a little bit about the challenges that you faced when you were moving towards that country strategy and any challenges ongoing and managing that international network.

Andy: Now, let's see. Yeah, it's definitely not a fully formed concept. We've had a bunch of iterations. I think we've had something that basically looks like an encyclopedia and probably was copied and pasted from the same. You know, 'in Kenya, there's 33 million people and blah, blah, blah, blah.' Moving towards a point that's actually a useful and usable document, and our country strategies are essentially three-, four-page documents that say, like, here's the stuff that we would tell you that we wouldn't share publicly. These are the people you can trust if you're a funder parachuting into Kenya, these are the sort of health key informants you want to talk to, and these are the folks you don't want to talk to. And these are the organizations that function highly, and these are the ones that don't. So a lot of it's sort of our taste in our landscape analysis. And I think the challenge in developing that was A: ensuring that we actually had good intel. And so that's about hiring better and better people on the ground. And B: sharing how we can sort of ride this fine balance between having legit, honest intel that's usable and helpful for funders to make their lives easier and more efficient and lead them to awesome organizations more quickly, and frankly, getting ourselves in hot water.

Because as a registered organization in all these countries and having staff from those countries and in some cases expats who could easily get bounced quickly, we have to be really sort of smart and judicious with how we share that information. And not all of our funder relationships are created equal. There are folks that we can trust and there's folks that we wouldn't share that information with. So that's, I think, been the biggest challenge. And then the second piece is just having updated info, just a constant labor to keep this stuff fresh, right? Because things change so quickly, at least in the context of these countries in East Africa where we're really focusing—the political economy, those trusted informants—that stuff changes really quickly. And so just like, keeping that on paper in an accurate way is really a big challenge.

Audience Member #3: Well, this has been a load of fun. I'm Sasha from Spark MicroGrants, I'm the lucky Sasha person who got some Kickstarter friends from Barry Segal. [Laughter.] The Segal Foundation is known for really listening to grantee partners, listening to folks on the ground and taking feedback from them, which is very unique for a funder. I'm curious if there's some feedback that you guys have gotten from one of your grantee partners that has resonated with you and actually changed Segal Foundation strategy.

Andy: Yeah, maybe to speak a little bit more broadly, I think a long time ago we thought that capacity building was always useful. And I think a lot of funders think this way, that capacity building, the worst capacity building is awesome, and the best capacity building is really awesome. And that's sort of the spectrum, right, of anything apart from cutting a check. I think over time we've realized, in fact, it's from awful, debilitating, gross and useless, to pretty good. And then most of it's sort of like, 'meh', it's okay. So I think it's one of the biggest things, is we've sort of shifted our thinking from let's figure out ways like 'we

know best' and let's figure out ways that we can do more than cut checks to partners, to a place where capacity building is almost like guilty to proven innocent. Unless it's obviously valuable to partners and obviously going to be a net positive, and not cost them so much in time and treasure—their valuable time, frankly—then we'll roll it out. And the other thing I think is multi-year funding. I think when we surveyed our partners and they've been honest and we've said, 'what would be most useful?' they say more money. More money, more unrestricted funding, more multiyear funding, more connections to other people's funding and then like capacity building and other stuff like that. Right. And that's been the biggest piece of feedback we've actually turned into something I think that's valuable for partners. It seems pretty obvious, but it wasn't for us.

Rachel: That's great. Okay, we have, I think about two or three more minutes. So any other yeah, we take sort of two more, I think maybe. Hi.

Audience Member #4: Seth Cochrane from Operation Fistula. Andy, I love this idea of the decision tree, like trying to work through these different sort of funder profiles or personas. And you mentioned two sort of dichotomies, the KPI guy or the heartstrings or the email or the in person. I wonder if you have any more sort of general dichotomies that you would kind of help us build our decision tree with.

Andy: Yeah, I think one of the biggest pieces is, another thing is around who do they want to connect with? I guess we approach, we want to meet the janitor. We want to meet the big thought leader and carrier of the vision, the person who gets to go to all the conferences. And then we want to meet the drivers, and we want to understand, like, hey, what's the mission of this organization? And if they can spit it out, not necessarily verbatim, but with some understanding of what they're doing, because they're probably not paid what a driver in a private, like, for a bank would be paid right? So there has to be some other compensation in the form of buying into that vision that the big wig is carrying. So that's one thing, that's our approach. But I know a lot of funders—who I think are really, really smart and do a great job of diligence—and they only want to talk to the thought leader. And so, there's been a lot of site visits that have just, I've talked to funders who I respect. They're just like, 'oh my God, they asked me to talk to the driver and I was like, what the hell?' And you're like, 'well, that's because we told them you should talk to the driver, my bad'. So just asking that question is pretty straightforward.

What was the other one I was thinking of... I guess in terms of also, what does the funder want to be doing? We're gung-ho. We want to embrace this, almost build a familial connection with our partners. And we do want to try to figure out how to go quickly from a basic understanding of what they do to what they don't do well, and how we can support that. I think other funders don't necessarily want that, sort of want to play an advisory role or want to be sort of inside baseball or inside the sausage factory, and they want to sort of have things at arm length. They want to receive reporting and sort of like have a very managed, sort of thin relationship. I think it's fair. It might be because of time; it might be because of their sort of comfort level with engaging with their partners. Who knows? But yeah, something to figure out pretty early on.

Rachel: Great. All right, we have time for one more.

Audience Member #5: Hi, thank you. My name is Andrea from Water Aid. We do agree the local solutions, the best solutions prior to building capacity are very important. But we also see the value in global organizations linking local solutions to share learning, support, global policy, et cetera. So, do you see the value in country offices of INGOs with local staff and locally-led strategies?

Andy: Sure, yeah. Like I mentioned, we have a lot of awesome expat-led orgs and relatively larger orgs. So, for example, CHAI is in our portfolio. Clinton Health Access Initiative, the Gazillion dollar org. But we found a way with a country office in Uganda, in fact, where they've connected with our local partners and been really benevolent supporters of raising their capacity, plugging them into contraceptive supply chains. Long story short, they're playing nice with our community of partners. And so, I think that it really depends on country by country, I would say we're engaging with a lot of country offices of INGOs and trying to build a big tent and a lot of connectivity between local rock stars, INGOs who are willing to get outside the gates and outside the Land Cruisers and understand the context in which they're working and hire an awesome local staff. And there's a place for those folks. And ideally, those two parties are also connecting in a fair and equitable way with funders in that country in question. That's some of the work we're trying to do, is this sort of big tent building.

Rachel: right, I think we are bang on time. That is awesome. Well, thank you everyone. This wraps up the podcast for today. Just a few quick thank you first to the Hospital Club, thank you for having us in this beautiful room with these trendy lights and Britney Mike's, it's pretty fab. And of course, thank you to all of you guys for coming. Thank you for subscribing. We're on iTunes, we're on SoundCloud. Please do subscribe if you haven't already, leave us a review. All that good stuff and thank you for supporting us. And then, of course, finally, to Andy and to the Segal Family Foundation. Thank you for being here, for sharing all of your generous insights, and for making today possible. We're so grateful.

Andy: Our absolute honor and privilege. Thank you guys, really. And on behalf of the family and the staff and our partners, this is fantastic and not as scary as it was an hour and a half ago. Okay?

[Applause.]

Carlos: I'd also like to add a big thank you to Rachel, who actually has worked so hard on every single one of our podcasts. She is the common denominator. She's the one voice that you always hear, but obviously putting on a live recording. There's a lot more logistics and a whole line. She's worked very hard from Canada. For the most part, it's all good, but she's been amazing. So anyway, just to echo, thank you so much to Andy, to the Segal Family Foundation, to Rachel, and to all of you. Thank you guys for coming.

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[Live show ends.]

Rachel: Yeah, thank you, Carlos. Thanks for listening to another episode of What Donors Want. There are so many 'thankyous to say. Firstly to the hospital clubs and Britney mics. Secondly, to everyone who attended the event. The room was packed, and you made us feel so snazzy. And finally, of course, a huge thank you to Andy Bryant for his generous time and advice, and to the Segal Family Foundation for making this all possible. We're really such fans of what you do and unbelievably grateful to have your perspective on the show. Stay tuned for our last big episode of the year, coming shortly. We're also deep into the podcast planning for next year, so please do continue to reach out to us with questions and thoughts. You can check us out online at impactinggrowth.com. Say hello to us on Twitter. Our handle is at [@ig_advisors](https://twitter.com/ig_advisors). Or you can come to one of our next events in London. Okay, that's all I got to say. Thanks again for listening. See you soon.