As donors and technology bring change to foundation relations offices, what is it that we will be doing differently? Where should we be investing our time and talents to be ready to meet the proposal expectations of the coming decade?

Writing the proposal of the future

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PROGNOSTICATORS of the broader view of our future world tell us that we will likely live in houses without kitchens. For many of us, that would be a great loss for the quality of our relationships and for our lifestyles. So you will be relieved, perhaps, to hear that this chapter will suggest that much more modest changes are in store for the proposals that will be created in foundation and corporate relations offices. There will be changes, no doubt, but they will be subtle, with the more dramatic differences coming in process rather than in content. The very basic principles underlying our current proposals are unlikely to change: motivation, purpose, and need. Our success will continue to rely on our communication skills and the relationships we build for our institutions. The more things change, the more they stay the same.

Why do we work so hard to craft our fundraising proposal? Let me count the reasons:

• We have a project that can make a difference
• We have a project that really needs support
• We know that there are funders who share our goal or who could be persuaded that our goals are theirs too
• We are competitive souls who like to succeed, and the competition is very keen—enough to challenge the best of us.

These are the matchmaking aspects of foundation fundraising that keep many of us coming to work every morning. It is the thrill of the chase, and that is not likely to change.

If we look at the proposal process from the foundation donors' point of view, we also find any number of factors that are likely to remain steady in their grant-making efforts:

• Foundations have a broad mission to do good, to solve a problem, to invest in possibilities
• Foundations have, by donor direction or through board interpretation, chosen specific and appropriate areas of interest and have set goals in order to focus their grant making
• Foundations seek the nonprofit partners they feel are best able to help them to achieve their goals.
There are no surprises here either, but there is certainly plenty of room for adapting to the future. These principles underscore the continuing role of the foundation officer as the liaison and relationship builder between his or her institution and the funders. It is the matchmaking talent that will continue to make this process work.

**What is new?**

There are two primary drivers for the changes that are coming and indeed have already begun to appear. The first is technology, and the second stems from the expectations of the funding sources. Both factors will significantly affect the proposal of the future.

Technology affects every phase of our lives, and proposal preparation is a way to look at one specific area of that phenomenon. Do you remember the old days when longer meant better? Twenty- to thirty-page proposals were not at all unusual. Then some foundations suggested that they would prefer to see plans summarized in a three-page letter of inquiry, so we reduced the font size and sliced the margins so we could squeeze in extra information. When foundations countered with specific font sizes and margin widths, we became much better writers because we had to be direct and succinct but complete and, above all, appealing. That skill is probably going to become more and more important because some experts are suggesting that it will become common practice for the letter of inquiry to become the proposal. Foundations will screen and request follow-up information and a site visit as needed for their decision making.

How does this relate to technology? Foundations, like universities, have Web sites with easy access to the Internet. There are any number of search engines specifically designed to help us find donors that can fund our needs. We need only decide on the key words.

While foundations were getting one hundred proposals annually five years ago and five hundred annually two years ago, they are getting thousands these days. At this point, there is no real technology to do the screening. So the technology is driving change on the part of the writer (to be concise) and the reader (to evaluate with fewer details).

Whereas in the past we used some of our twenty proposal pages to wax eloquent about our institutions, we are now being asked to provide a great deal more statistical and factual information. Many institutions are not set up to retrieve this information easily. Such a request sends fundraisers scrambling to figure out who has what, a time-sink for certain. The task is complicated by the fact that each funder requests that the information be tabulated and presented in a slightly (or vastly) different way. But technology does ensure that institutions can collect, access, and tabulate those numbers if we know what we need and can keep the appropriate records regularly.

Maybe one of the projects for the fundraisers of the future will be to get some consensus from funders on the core information about institutional communities that is important to them in their consideration of proposals. Then we can guide our institutions to
do the pertinent record keeping. In addition, this information could be presented in the form of a prospectus that would be available on our Web sites. This format might be particularly useful for smaller organizations that do not publish formal annual reports, because it is a form of one-stop shopping for factual information on mission, goals, and programs, as well as a means of providing detailed and consistent financial information.

There has been some reluctance in years past on the part of foundations to accept technology, specifically videotapes, as part of the proposal submission. Viewing videotapes requires sizable amounts of hardware, and so it limited the mobility of the proposal as it moved through the foundation review system.

Today, however, more and more foundations have at least partial on-line submission requirements, so it seems likely that they will eventually be doing computer reviews that could include the latest in on-line graphics. In addition to traditional graphs, photographs, and budget spreadsheets—all of which already seem more vital on a computer screen than their paper counterparts—we can look forward, for example, to virtual tours of spaces to remodel. We could see the “before” and the “envisioned” in the proposal (perhaps complete with a donor plaque), with the “after” in the reporting. We can include pictures of faculty discussing a project, students working at lab benches or presenting research, and client activities at social agencies where community needs are being addressed.

There is, for the time being, a danger that small agencies, many of them most in need of support, might be penalized if this technology does become the key to successful proposal writing in the future. One could hope, however, that the hardware and technical skills required to produce such a proposal will be common to all institutions, large and small, before too long. This point is also a reminder that all institutions will have to invest in training for foundation fundraisers who will have to think and work with a mind-set and the skills for persuasive use of the latest technological advances.

**Changing donors, changing proposals**
The increasing number of youthful millionaires and the anticipated immense transfer of wealth to the next generation demand that foundation fundraisers seek to understand the people who earned and will now spend those fortunes, just as major gift colleagues need to think in tandem with their individual prospects.

The historic family foundations with which we have been dealing were also begun by beneficent entrepreneurs: Andrew Carnegie, John D. Rockefeller, Henry Ford, Andrew Mellon, and more recently, W M. Keck, David Packard, William Hewlett, and James Irvine, to name just a few. From the historical perspective at least, the difference is a matter of time lines; their fortunes were built at a different pace, slowly, deliberately, and over a lifetime. Their ideals and philanthropic interests framed their foundations, but they were generally less involved in the grant making itself and probably less motivated by bottom-line results of specific grants. Andrew Carnegie certainly had the broad vision for the library system that he and his foundation funded, but it is likely that he measured results in terms of lives improved rather than in literacy scores raised.
The new foundation founders and philanthropists are known by a variety of terms that describe both the source of their wealth and their attitudes toward giving. They are “venture philanthropists” and “entrepreneurial philanthropists.” They are relatively young, and they look at their philanthropy as a second career. Just as building their fortunes was a personal thrill and challenge and based on well-informed decisions, so is giving away money. They are analytical, logical, willing to take risks and change directions, and results oriented. They are often from modest backgrounds, are interested in the social issues that surround them and that affect their own children, and want to focus their foundations on the topics that interest them personally. They are energetic, time conscious, technically oriented, and generous with their time and money when they believe in the potential for positive change.

Small nonprofit agencies that are nimble on their feet and can make good practical use of the strategic vision and talents that such a donor can give to them appear to have an unprecedented opportunity to attract this personal attention. Their proposals will need to get noticed. They need to establish their niche and the stability of their organization, show their ability to plan for the long term to achieve their goals and mission, and, perhaps most important, care about innovative solutions to address chronic problems.

For academic institutions that often operate on glacial time scales, the broad mission, institutional reputation, and fiscal stability are usually well established. The need for funds for unproved directions and innovative approaches should resonate well with these venturesome foundations. Young entrepreneurial university faculty members may well be the best spokespersons—a match of enthusiasms. The challenge will be to convince the new foundations of the value of basic research with more distant but sustainable applications and results. These proposals will need to make the case for possible but not guaranteed results, for both the excitement and the rationale of the risk. They must also provide the specific benchmarks for evaluating success along the way.

The discussion here has been specifically about the new foundation philanthropists, but our old friends have not simply adopted many of these trends; they have initiated them. The James Irvine Foundation, for example, has invested a great deal of time, effort, and money in helping potential grantees address the issues of goal setting, benchmarking, and evaluation in their proposals. The Howard Hughes Medical Institute has a relatively long history of making compelling use of technology for reporting on its grants, so that all grantees have an electronic network to draw on.

**A visit with a funder**

A recent conversation with an administrator at one of the new Silicon Valley foundations produced some useful observations. This view from the funder’s perspective confirms once again that the ability to develop and guide relationships with grant makers is going to continue to make the difference for institutions. Although the interview focused only briefly on the actual proposal itself, these comments underlie the proposal in a substantial way. Without follow-through on these preliminary steps, there is little likelihood that the written presentation can succeed. The personal relationships established between
all levels of administrative personnel at foundations, universities, and community organizations will become more, rather than less, important.

The administrator confirmed that venture philanthropists are naturally hands-on, but they are extremely busy. They count on their staffs to be their information gatherers and, even more critically, to be able to understand their goals and to screen and advise. The philanthropists charge their staffs to guide them to the best use of their time, to help them establish and develop those key personal relationships that will be most useful to them in fine-tuning or redirecting their giving. In many instances, these same foundation staff members will be offering comprehensive plans of action to their philanthropist employers and will be expected to make recommendations for those unfunded areas within the scope of the donor’s interest where the new foundations could have the biggest impact.

The new foundations, and many of the older ones as well, will be doing things differently. The technical changes have already begun. The proposal process will be interactive and paperless. Because many of the funders are concerned about the environment, this is a given. But the real changes will be in the focus, directness, and timeline from start to finish. There is an expectation of ongoing evaluation and evolution, of accountability and benchmarking, while both the proposal process and the project are in progress.

There will be collaborations among foundations and among groups of foundations and universities. There will be less territorial concern. The focus will be on information and talent sharing and on achieving goals. Entrepreneurs have risen through an environment where no system was in place. Therefore, they created one along the way. They have the opportunity to do that with the new foundations that they are establishing. They will be looking for partners—the best and most responsive partners they can find to fund projects that address tangible, targeted questions.

**Conclusion**

What are the specifics that we should be considering for proposals of the future? We will have to understand our institutional vision and be able to articulate it in many ways. We will need to become adept at using the latest technology to present proposals. Our lead paragraph will need to be a work of art because it will have to set us apart and engage the reviewer. We will need to understand and present our priorities in a persuasive and logical argument and at the same time offer a well-defined statement of our institution’s capacity to complete the project if given the resources requested. We need to be able to explain in measurable, concrete terms exactly how we will be able to evaluate our success and our failures. Above all, we need to know our donors, to be consummate matchmakers. We need to fit our project as neatly into the donors’ goals as a hand fits the proverbial glove. This is hard work, but good foundations are thrilled to get this kind of proposal. The proposal is their lasting impression, and it lets them know we are thoughtful and thorough, that we understand them, that we have done our homework, that they can have confidence in us, and that we are likely to represent an institution they could be proud to support as a future partner in achieving mutual goals.
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