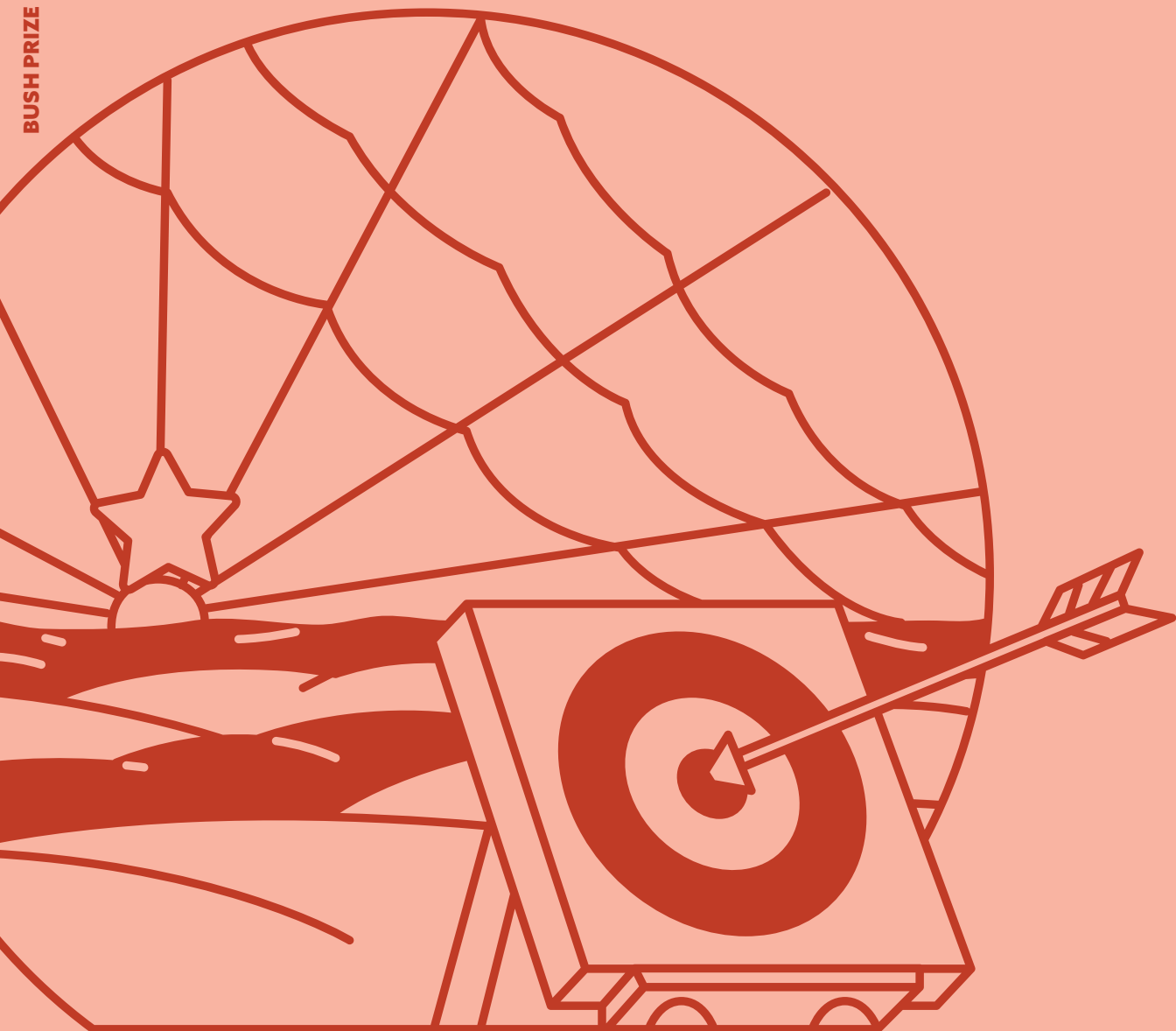


IMPACT FOUNDATION

BUSH PRIZE FOR COMMUNITY INNOVATION



FARGO, NORTH DAKOTA

LEADER

J. Patrick Traynor

BUDGET

\$1M – \$4,999,999

GEOGRAPHY

North Dakota,
Native Nations

YEARS ACTIVE

Founded in 2004

INNOVATION STORY NO. 1

GIVING GETS AN UPGRADE

Over the next four decades, an estimated \$308 billion of wealth will transfer between generations in North Dakota. Impact Foundation wants to make sure that nonprofit organizations across the region have the capacity to tap into this generational wealth transfer phenomenon—and that philanthropic giving in North Dakota reaches its full potential.

STORY BY MORGAN MERCER

**“ WE THINK BIG
BUT START
SMALL. WE
START WITH
PROTOTYPES,
GET FEEDBACK,
BUILD IT AND
EVALUATE IT.**

— PAT TRAYNOR, Dakota Medical and Impact Foundations

INNOVATION

IMPACT FOUNDATION

Impact Foundation established its Institute to ensure North Dakota nonprofit organizations have the capacity to tap into the philanthropic giving happening in the region.

BREAKTHROUGH



When Impact Foundation discovered most North Dakota nonprofits didn't have a sustainable fundraising model, it set about designing a new system. It combined fundraising training, coaching and an annual giving day to help charities maximize their influence.



GIVE A HAND

Honest dialogue is a cornerstone of Impact Foundation's culture and shapes every aspect of its work. To create an open environment where nonprofits feel encouraged to share candid feedback, Impact Foundation sets aside weekly time for one-on-one calls, travels across the state for in-person meetings and allows unfettered access to its staff.



STEP, STEP, LEAP!

By keeping pilot projects small and scalable, Impact Foundation encourages innovation while downsizing risk. It trains nonprofits to take tiny steps that eventually add up to a giant leap. If a project fails, Impact Foundation simply recycles it into creative fuel to launch an even better idea down the line.



EXHIBITS RESOURCEFULNESS



VALUES EXPERTISE



LEARNS FROM FAILURE

KARI BUCHOLZ FELT LIKE she won the lottery. In 24 hours, her nonprofit, Haley's Hope, raised \$40,000 through North Dakota's Giving Hearts Day. She had only expected a fourth of that. However, she met a new level of donations the next two years: first \$60,000 and then \$100,000.

“We had no idea what we were doing,” says Kari, who founded Haley's Hope in 2011 for kids like her son who struggle with dyslexia. “The Impact Foundation took a whole morning and sat us down one-on-one to talk us through [fundraising]. They don't allow you to fail because you have so much support from them.”

Giving Hearts Day, launched by the Impact Foundation in 2008, is North Dakota's only 24-hour online fundraising event. It gives nonprofits a new platform to generate greater visibility for their work.

Through Giving Hearts Day, organizations build sustainable donor relationships and tap into the philanthropic resources available in North Dakota. Over the past nine years, more than 326 nonprofits have raised upward of \$41 million through the one-day event.

“We teach organizations how to fundraise so they’re not just writing that same grant for operating funds each year,” says Pat Traynor, the executive director of both the Impact Foundation and Dakota Medical Foundation, the sister organization that founded Impact Foundation.

Through coaching and its Giving Hearts Day, the Impact Foundation brings nonprofits together at an unprecedented scale.

Before, charities competed for the same donors year after year, and resources felt scarce. The Impact Foundation flipped that mindset with its Wealth Transfer Study, which showed nonprofits that as North Dakota estates change hands over the next 50 years, nearly \$308 billion will be divided between heirs, nonprofits and taxes. Of that, the Impact Foundation estimated \$95 billion would go toward charity. With that data, Scott Holdman, the Impact Foundation’s director of operations and innovation, challenged the state’s nonprofits to work together to raise the tide of philanthropy in the state.

“They have a way of getting you excited and giving you a pathway to put your feet on,” says Kari. “They’ll guide you to where you need to be. They’re the reason we’re here today.”



EXHIBITS RESOURCEFULNESS: Fundraising isn’t an individual sport. To raise the overall tide of giving in the state, Impact Foundation convinced nonprofits to stop fighting for donors and to start working together on Giving Hearts Day. Organizations partner to share promotional costs, create regional marketing and develop strategies that promote the collective work of participating nonprofits. On average, organizations that collaborate on Giving Hearts Day raise an average of 15 to 20 percent more than those that don’t. To encourage once divided charities to work alongside one another, Impact Foundation incentivizes teamwork. Every winter, collaboratives receive \$1,000 to spend on marketing for Giving Hearts Day. Impact Foundation also gives an additional prize each year to the most unique collaboration.

“ WE TEACH ORGANIZATIONS HOW TO FUNDRAISE SO THEY’RE NOT JUST WRITING THAT SAME GRANT FOR OPERATING FUNDS EACH YEAR. ”

— PAT TRAYNOR, Dakota Medical and Impact Foundations

Give A Hand



Hopping in the car, Scott and a colleague drove more than three hours from Fargo to western North Dakota in 2015 to sit down with a group of nonprofits that were upset after missing their Giving Hearts Day fundraising target. At the start of the meeting, the room felt tense and uncomfortable. As people shared how they felt, the mood began to soften.

“You have to make people feel respected,” says Scott. “It’s meaningful when someone comes to your soil.”

For the Impact Foundation, it’s important to move toward problems, not away from them. As the Giving Hearts Day season ramps up in the summer, Scott heads out on informal “engagement tours” to hear how nonprofits experienced the day and how the Impact Foundation could improve the February event the following year. Getting honest feedback and criticism from its

partners often starts with the Impact Foundation being the first to admit when something didn’t go as planned.

“It’s not just us coming up with all these rules and guidelines,” Scott says. “Their feedback shapes the day and fundraising training.”

Working side by side with organizations, Scott continually updates the Impact Foundation’s fundraising models and training sessions to reflect the best practices and ideas that develop each year. For example, it recently changed its Giving Hearts Day policy to allow nonprofits to accept large checks after an organization found a donor who wanted to give \$5,000 without also paying the large credit card fee.

To support a culture that embraces candid feedback, the Impact Foundation allows clients unfettered access to its staff—handing out email addresses, phone numbers

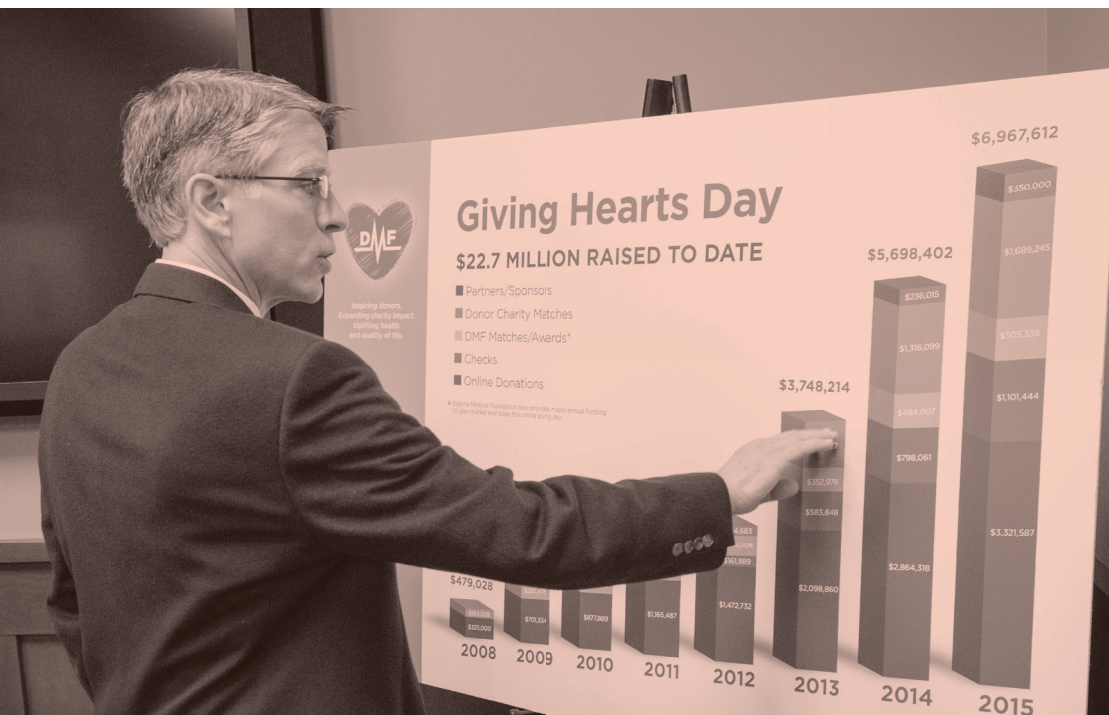
and an open invitation to call. Each week, up to 10 nonprofits approach Scott with challenges or ideas they want to discuss. During the Giving Hearts Day training and coaching season that runs from July to February, Scott and two peer coaches block off time when people can schedule in-person meetings through an automated link each team member emails out. It's an opportunity for nonprofits to ask pressing questions and share the difficulties of their work, and for the Impact Foundation staff to challenge organizations to identify the next steps toward solving a problem. Not

only does this level of engagement provide a constant stream of feedback that informs the Impact Foundation's ever-evolving work, but it also cultivates strong relationships that defy the power dynamics that are often at play between nonprofits and philanthropic institutions.

"From time to time, we climb up and take a look at everything going on," says Scott. "We can recognize some interesting trends because we have a view that's different than a practitioner in it every day."



VALUES EXPERTISE: Feedback and suggestions started rolling in from nonprofits when the Impact Foundation reframed its role from a foundation that writes checks to one that generates ideas and works alongside others to solve problems. "We set the tone with charities that we're here to serve you," says Scott. When nonprofits no longer saw the Impact Foundation as just a funder, the power dynamic shifted. It quickly became the co-creator North Dakota nonprofits chose to turn to when they wanted to transform ideas into action. "We don't just hold a focus group and take notes," says Scott. "We actually do something with their [feedback]. Whether we can implement them or not, nonprofits know we're researching their ideas." When a suggestion turns into a successful project, the Impact Foundation makes sure to give credit to the person who originally shared the idea.



STAFF, Impact Foundation

Step, Step, Leap



Taking a risk can feel, well, risky. Yet, that leap of faith is what nonprofits often need if they want to push their work forward. To make it easier, the Impact Foundation has developed a system that encourages innovation through small, nimble pilot projects that recycle good ideas until they become something great.

That's how Venture Youth Alliance (VYA) started. The Impact Foundation launched the project with the intention of bringing people together across North Dakota to collectively pick a topic of interest and fund an initiative within that realm. The group decided to focus on youth, and had major donors lined up ready to support whatever project it decided to pursue. But with such a general goal and poorly defined outcomes, the execution failed and the alliance disbanded without funding a new initiative.

“We go into [pilots] with an expectation that we're going to succeed, but an acknowledgment that if we don't, it's just creative fuel,” says Scott, who believed the Impact Foundation could resurrect VYA into an even greater idea.

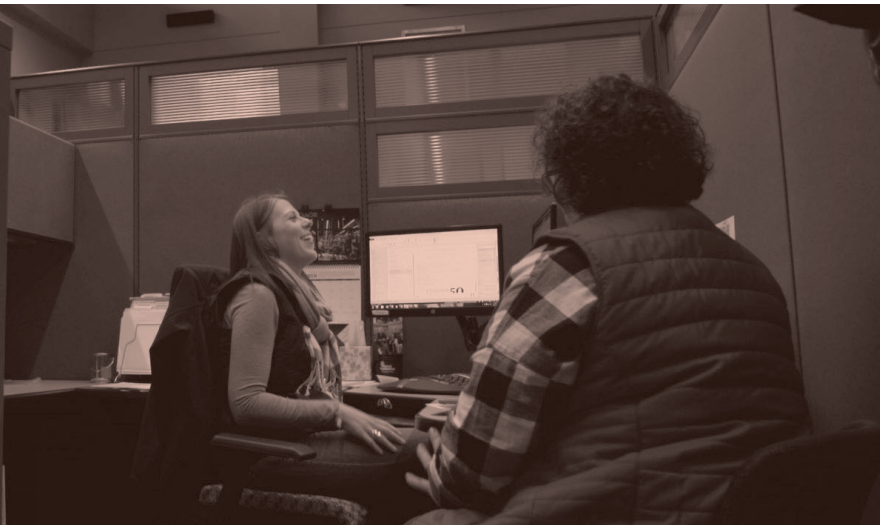
He thought right. Using VYA as a springboard, the Impact Foundation partnered with a new team of people, including an experienced grant writer and the superintendent of Fargo Public Schools. Together, they created a first-of-its-kind survey to measure positive indicators for youth, like strong relationships and access to quality opportunities. Up until that point, North Dakota schools were only good at measuring more destructive behavior, like drug use and underage drinking. The new assessment tool gave schools a more complete picture of how teenagers thought about job prospects and the future. Data from the new survey showed the ways

students steered clear of bad choices and instead started to make better ones. The coalition recently launched the tool in Fargo schools, and hopes to expand to other districts in the coming years.

By keeping pilot projects small and scalable, the Impact Foundation has found a backdoor into the kind of risky behavior that leads to innovation. At any given time, it partners with several nonprofits to pursue seven to ten new ideas that feel urgent or important. Each new undertaking kicks off with a Google document and a small group of people committed to advancing a particular vision. That initial forward momentum means the group wastes less time deciding what to do, and spends more time finding a solution to a problem they've already identified.

In the same way, Scott reframes risk for the nonprofits he coaches by breaking the process down into small, manageable pieces. During collaborative sessions, he acts as a sounding board to jumpstart creativity and help nonprofit leaders work through their ideas. By hosting more than 400 of these meetings every year, the Impact Foundation builds a system of support and encouragement that pushes nonprofits to chase after innovative ideas.

“The greatest thing we can do to get people to take risks is to mitigate that risk so they accept the leap,” says Scott. That often means showing people a simple step they can take toward their goal, like sharing the idea with 10 new people to determine its merit. The Impact Foundation teaches nonprofits to think big, but then act small. Eventually those tiny steps add up to one giant leap.



STAFF, Impact Foundation



LEARNS FROM FAILURE: Two years ago, the Impact Foundation began hearing the same remark from smaller charities: they felt left behind. A big part of that perception spawned from the prizes the Impact Foundation awarded to nonprofits every year after Giving Hearts Day. Because of their size, the state's largest charities consistently swept the awards. The smaller charities recommended finding a way to make sure they could still compete against the larger organizations. As a result, it divided its Giving Hearts Day awards into two categories: one for nonprofits with an annual budget greater than \$500,000, and another for nonprofits with a budget under \$499,999. The suggestion also encouraged the Impact Foundation to create new award categories that focused on the percent of new donors nonprofits gained each year. These changes inspired new nonprofits to take part in the annual event, while ensuring smaller groups could still be rewarded for their success.

“THEY HAVE A WAY OF GETTING YOU EXCITED AND GIVING YOU A PATHWAY TO PUT YOUR FEET ON.”

— KARI BUCHOLZ, Haley's Hope



HEADQUARTERS, Impact Foundation

SCOTT HOLDMAN
Impact Foundation



STAKEHOLDERS
Impact Foundation





SCOTT HOLDMAN
Impact Foundation



STAKEHOLDERS
Impact Foundation