



Kerrin Mitchell:

Welcome to the Untapped Philanthropy podcast.

Tim Sarrantonio:

We're your hosts, Fluxx's, co-founder Kerrin Mitchell, and NeonOne's, Tim Sarrantonio. We've spent our career learning how to leverage technology and data in the social sector to better connect and serve our collective causes, constituents, and communities.

Kerrin Mitchell:

In this podcast series, we profile leaders, public figures, philanthropists, and industry experts to explore the fascinating intersection of funding, technology, and policy. We're here to analyze the most formative topics and trends that shape the present and future of philanthropy. Hey everyone. Today we are diving into the world of impact. Each one of us, of course, has been drawn to this industry for a myriad of reasons that our personal, professional, social, and I think we are all bound by this common goal. And the reason we got here was really to make a difference in our communities. And with all the different paths we take in our lives, I think we're drawn towards this idea of impact, but oftentimes not sure how best to make it. And as this ever evolving world continues to change, especially in our social sector, the rapidity of that change and the need for how we can start to understand the qualification, the quantification of those efforts we're putting forward is just so crucial. As foundations, as nonprofits, as change makers in our industry, where do we start? And luckily we know a guy who can help. Drew Payne is the CEO of UpMetrics and he has joined us today to have a conversation with me. Tim is going to be absent today, but we'll miss him desperately. But that said, Drew and I are ready to rock. Drew. Hey. Hey. Welcome.

Drew Payne:

Kerrin, good to connect with you and I'm fired up, excited to be a part of this. Thanks for making it happen.

Kerrin Mitchell:

I'm so pleased to have you on because I think a lot of the times this season we've been talking a lot about grantees and the structures they're facing. And this is something that I think ultimately the topic we're about to dive in on is something that's crucial for both audiences and it really is one of those things that I think people are just in paralysis on where to start. So we're going to dive into impact. Before we do that, let's get to know you a little bit my friend, I actually do know you. You're fabulous, but everyone else needs to know how fabulous you're, so introduce yourself, if you wouldn't mind. Tell us what brought you to philanthropy.

Drew Payne:

Yeah, so I wear a couple of hats when I think about impact. One being the role that I have, add UpMetrics where we're looking to support impact organizations with data to drive learning and also activate and inspire through storytelling. I also have a small family foundation and a range of donor-advised funds and also do some impact investing. And like most capital providers I've core issue areas that I'm fired up and passionate about - education, community development, women's empowerment, and also healthcare. And so those are the hats that I'm currently wearing right now. And the journey to get to this point has been a process like most folks in their career path, I've been fortunate to land in a spot that I can map areas of interest and passion and my purpose to the day-to-day gig. But I didn't start



in the social sector and impact, it was actually consulting out of college, found myself in the world of investments in private equity and operations.

Kerrin Mitchell:

And as you look at it, I mean the idea of impact management, I'd actually love to have you do a little bit of a blurb on UpMetrics so people kind of get that lens you're bringing. But as we look at that, I mean you created a system and a structure that gives people the ability to start to tell stories and it's bigger than just like you said, the quantitative structures. It's how to empower them. Do you mind elaborating a bit on that for the listeners?

Drew Payne:

Yeah, I think that one of the challenges that the sectors experienced around impact measurement and management specifically is it's been overly complex. And so what we try to do at UpMetrics is to apply a framework and a methodology that simplifies that process. And you always start with the why and understanding what does impact what success look like to you as an organization. And that's where we like to live, to create that structure around it. And then we work through our own model of understanding your vision, your mission, your core values as an organization, and then tie that to who you're looking to serve. What does that delivery model look like? What is quality to you as that organization? And then the most important part is anyone better off based on the model that you're delivering? And that could be on the capital provider side or it could be a direct service nonprofit or an impact investor that's looking at private equity around specific social environmental issue areas. But really trying to simplify it, get to know the organization and their why and their purpose and make sure that there's the quantitative components with ideally success metrics that are longitudinal, but also creating that learning space around that data and incorporating the qualitative components is really important.

Kerrin Mitchell:

I mean, I think the interesting part is we actually tried this at Fluxx and in all honesty, and Shawn, our producer will laugh at this, but we really couldn't do it because the art form, the structure, how you think about it, it was bigger than just saying record this in your GMS system. And it was this entire structure and way of thinking that we honestly were like, this is an entirely different business. And people, how they think about it, how you support them through it, how you represent not just what the portfolio goals are, but the ability for a grantee to have a voice and to defining it because it is ultimately their programs that are making the difference. It's such a balance of words of power in some ways that I think it's something that I think when you start to dig into it, it really starts to become a framework that has to have true equity and visibility and transparency across both in all parties that are involved.

And I think that's something that when we started, again, I don't think the hubris, if you will, in the early days of Fluxx, bless our heart was such that we were like, oh, this will be easy. But I love that you guys are doing this at UpMetrics and I look at this as an opportunity for us to really learn about how to make this work. And I think at the crux of impact management, it beckons the question of how do we start to call out unique value and how do we help organizations really find that voice and take what there is their DNA and put that into something that tells a story to the community that they're a part of to say, this is what we stand for and how we aim to impact the world.

Drew Payne:



So Kerrin, I think also that ties to that is this shift at least that we're seeing through our partners around contribution and attribution. And I think we're starting to see this trend to be around some of these issuers being complex. How do we align as organizations towards common goals and how do we think about ourselves as small pieces of that complicated puzzle and driving with a contribution lens versus in some cases the ego around the attribution side of it. And I do see a trend relative to the world of makers and the grantees where we're starting to have more of those open conversations about we're contributing to long-term goals, how can we learn through this process as actual partners and remove some of those transactional components that has been in philanthropy for some time.

Kerrin Mitchell:

So where do you start? I mean I think when you talk about this, people are like, oh my gosh, I need storytelling. I need testimonials, I need data-driven outcomes, I need theories of change. All of these words and structures that people know are out there. I mean, where do you usually say, okay, this is where we're going to start this process for you guys when you're coming into working with someone?

Drew Payne:

Yeah, so it's interesting, I think about it as individuals, and again, we're at UpMetrics we're similar to Fluxx where it's a B2B model, it's an enterprise type platform and partnership. I think that we miss out a little bit on the individuals that are a part of the organization and understanding why they're in the sector. And so from the individual lens, it usually maps to lived experience and the moments of happiness and then the moments of sadness. And that traditionally maps to areas of interest that individuals want to get behind. In the world of nonprofits, you have a leadership team and traditionally a founder, if it's an early stage organization that something happened to that individual or that group of individuals to get behind something. And so I always like to start when we're working with our partner organizations to understand the vision, the mission, and the values, and then connect that mission statement to issue areas that they're looking to take on, whether it's workforce development, taking on the opioid crisis, maybe it's sport-based development or mentoring.

And we'll take those specific issue areas and we'll break that down into understanding who, whether you're the capital provider or the nonprofit, simplifying it, who is your audience? Who are the beneficiaries? What is our model? What are we delivering at what frequency? How do you define quality of the delivery that you're applying into the communities? And then is anyone better off? And so we try to be really consistent with that impact framework approach. And that could be with a large foundation that's been around for 20, 30 years, or it could be a small grassroots nonprofit that's doing really hyperlocal work within the community, but that's our general approach that we look to take and then make sure that there's cross pollination and learning across our organizations that we provide through our team and the relationships that we build with our partners.

Kerrin Mitchell:

When you talk about this idea of this impact framework and methodology, is there a structure that you sort of say, we employ this theory or this approach, or does it sort of change client to client? How do you typically like to approach that actual methodology as you're getting into deploying it so it is something that is both extensible to the community, so there's common language, but also uniqueness of course to each org?

Drew Payne:



Yeah, yeah. No, you make a great point. The framework itself is really flexible. So as you know Kerrin, there's lots of frameworks and methodologies that already exist. Our impact framework can apply to a theory of change, a logic model. And so when we build up those relationships with our partners, we get to understand the work, the work that they've put around, how they're measuring that impact. And then we integrate components if they have a logic model or a theory of change, which I'd say probably 60 to 70% of the nonprofits that are doing direct service work have a logic model or theory of change. The challenge is it's really difficult to operationalize that logic model of theory of change with data on an ongoing basis. So we'll take that work on the front end and then we'll plug it into our impact framework, who you're servicing, what you're delivering, what's quality control, and is anyone better off? And we'll start to use tags within our platform that can align to that logic model of theory of change so they can see the work that they've done up to that point within the platform and connect their frameworks and methodologies into the impact framework builder on the platform.

Kerrin Mitchell:

So when we're talking about all those metrics, the structures, I mean who's defining those? Because there's sort of an innate power struggle around whether it should be the operators who are in the communities versus foundations who do have insights into how change can occur at a larger level. I mean, how do you sort of balance that structure?

Drew Payne:

Yeah, I'll put my hat on as a capital provider. So our family thinks about our specific issue areas that we're taking on and we're thinking about impact measurement and our performance that ties to the relationships that we have with our grantees. And so we have specific metrics that we're looking at relative to that relationship with the grantees and supporting their work moving forward. And then we're also applying a longitudinal approach using specific indicators within the specific communities that we're applying our capital into. And so relative to our model and most of the capital providers that we work with, we're looking to push our capital provider partners, the grant makers to think about impact in a longitudinal lens over time with set indicators that they can measure and drive progress towards, and then think about their specific strategies and the grantees that align to those strategies as organizations that are contributing to those longitudinal goals around the issue areas that we have defined as what we're most passionate about making a difference towards.

We're not going in as a capital provider, a grantmaker and defining what impact is on behalf of our grantees. We have to trust the nonprofits that they know the work that they're doing, they know their success metrics, they can define that impact. And then we're creating space with UpMetrics through the platform of learning that we're getting real-time information from our grantee partners that drives deeper real genuine relationships with a learning lens with our grantees versus once a year reporting driven by grant makers that are defining those metrics. So that's part of what we're doing at UpMetrics is we're trying to break down the silos of information sharing, but also shift it towards learning versus one way reporting less transactional, more learning with your partners towards longer term goals. And we share those goals with our grantees so they understand how they fit into our strategies as a funder.

Kerrin Mitchell:

What I like about the work you guys are doing too is it's ongoing because obviously in Fluxx land we have a little bit of that old school like, alright, your interim report, your final report. We are proliferating the same challenges that I think like you said, like every six to 12 months we get a rose colored lens on work that I think ultimately is very important. But the truth is the value is in that conversation ongoing.



The ability to make changes at the moment when you see impact is either taking a direction that it shouldn't or is actually working better and being able to invest in the right areas to make it happen. So what I love about UpMetrics is it's conversational, it's ongoing, that longitudinal thing is real. And I think that's something when I look at it, I've always felt like the holy grail and grant reporting and the collaboration, there's honestly, I'd love to get rid of course at some point the interim and final report because it's not needed if you're having conversations. And that's the thing I look at and think, there's no actual fiduciary or legal reason you have to have a report. It's just to show that you did the work or that you're feeling confident in the delivery. So I love this idea being able maybe to move to that sort of real-time structure and real-time management. Have you seen people gravitate to that direction yet or am I still in my, what if things were perfect realm?

Drew Payne:

Well, you're in the dreaming in color. It's happening. I think that what's important is that we elevate real examples, so we make it less abstract. And I think tie it to building and leveraging relationships versus the transactional relationship between a grant maker and the grantee and the way that we can support the grantees and create the space to be okay with sharing information that might not all be great.

And as a funder, most of the annual reports that I've seen, it all paints a very positive story. And that's not life Kerrin, that's not reality, right? There's ups and the downs. I think over the last three or four years, what we've learned is that things can change really quickly and we need to have deeper relationships across organizations putting communities first, and we need shared information to support those in the communities. And that can't map to a once a year annual report. We need to break down the silos of information and have it be at a higher frequency with a learning lens, which means we need to tear down some of the power dynamics that currently exist between grant makers and grantees and have this be more about high energy, engaging, using information to drive positive change as collectives versus silos and once a year transactional information sharing.

Kerrin Mitchell:

What are the issues that you think exist there? If you were to say, these are the challenges that we have or the opportunities to better utilize that data or maximize that data, where do you think we have an opportunity to improve?

Drew Payne:

I think we need grantees to be empowered to define impact for themselves. I think we need to create that space. There's a major gap relative to resources that are going to nonprofits around using technology and information with a learning lens. So in the private sector, when you think about the technology and the team to leverage data to make decisions on an ongoing more real time basis, that infrastructure is in place and resources have been allocated through the operating budgets to have those resources to leverage information to make decisions. We haven't done that in philanthropy. And so I do think that there is an opportunity to apply more resources for those nonprofits, have it be flexible capital, but have the conversations around how nonprofits can leverage information and have the team and the technology to learn through their information and then start to feed that information back to the grant making partners on an ongoing basis.

So I think there's an opportunity there to create more learning space through resources and conversation, but I'd say defining impact, recognizing that impact can take time. And so I do think that the reporting cycle, having it be semi-annual or annual towards targets, some of these goals relative to impact, it'll take years to get there. So how do we also think about the higher frequency of engagement



and learning between funder and grantee to be mapped towards real-time learning that doesn't necessarily just map to impact metrics. And I think that's another opportunity where it's more about quality and what we're learning from the communities that can inform the grant maker strategy but also deepen that relationship with the grantees.

Kerrin Mitchell:

So where have you, I mean, following on that, where have you actually seen success, whether it be in organizations you've worked with one off with their grantees or maybe cohorts, collectives, how has that been sort of created, nurtured and created, I guess an effective example of where you think this could be going?

Drew Payne:

Yeah, I think that there definitely are success stories and it traditionally starts with upfront alignment within the foundation. And so being aligned on the strategies..

Kerrin Mitchell:

Is that a culture thing? Is that something where have you for alignment, is that something where it's like the board, the executive team? To what degree, when you say alignment, is it across? How does that work? Tell me about that too. Sorry, I didn't mean to interrupt you on that,

Drew Payne:

You nailed it Kerrin, that it's not a one size fits all in terms of foundations specifically. So I think it does depend on the foundation, but top to bottom thinking through that strategic alignment and being able to revisit the vision, the mission, the values, the issue areas and the strategies and understanding what success looks like, that has to come from the leader. And that traditionally is that executive director that needs to align with the foundation board and then operationalize on an ongoing basis their strategies with their team on a monthly, quarterly basis. And that's traditionally what we've done at UpMetrics and we look to push our partners, but it's going to start with that leadership team within the foundation and then making sure there's alignment with the board and then operationalizing it with their team on an ongoing basis.

Kerrin Mitchell:

And then as you create and nurture that alignment, it can create success, which is, I think before I interrupted you where you were going with that, right?

Drew Payne:

Yeah. And the learning around it. And I think that at least what I've seen in terms of the foundation side of it is we're not comfortable yet learning in public about what's working and what's not working. It's been more geared towards a little bit of some ego and agenda around that, but we have to be open to learn in public as funders. And I do think that is part of it. When we think about examples of success, Kerrin, that's really important. And then where are we struggling and how do we understand and learn from those struggles to then make adjustments that are a little bit more higher frequency real-time to align with our own internal teams as funders, but also bringing our grantees through that process so they have a little bit more understanding and transparency as to our strategies as funders. And that right now, I haven't seen it where there is connectivity with the grantees that really understand the



foundation's strategies and how they fit in to how the foundation is thinking about success and using data to learn along the way.

Kerrin Mitchell:

I mean, I think the challenge to your point is that these incredible nonprofits are also dealing with multiple foundations. So how to balance the need to be able to be like, all right, I'm aligning and I understand how these people are thinking and these funders who are a lifeline to who we want to become as a nonprofit. We would definitely want to align to that. But to the degree, have you seen it where grantees are like, but I have 20 of them. So I mean to some degree, I guess, do you have an example or have you seen it? Where is it something where a grantee says, you know what, I'm going to align really tight to two or three, and then they can make that jump to really understand how do we work together? Or do you find that it's a diluted effort right now because there's so much that's being asked of a grantee to do their work plus align?

Drew Payne:

So here's the thing, Kerrin, when we go through the process of the impact framework and really focus on that defined stage, a lot of times the nonprofits will say, this is the impact reports that are required. And that's where we're starting when it comes to defining impact. And that's broken in the sense that the nonprofits should own their story of impact and define what impact is and then should directionally align to focus areas or portfolios or issue areas of the funder. And so I think if we can shift a little bit of the power dynamic to nonprofits defining impact, that they can then tell their story and align to the funder's focus areas or issue areas and talk about how the grantees, the nonprofits are contributing to those focus areas of the funders.

Kerrin Mitchell:

Got it. That makes much more sense to me. I get you. I'm picking up what you're putting down.

Drew Payne:

We got a ways to go. So we're working at it.

Kerrin Mitchell:

I was like my dreamy side of getting rid of reports. I'm like, let's do this tomorrow. Tell me though a little bit about where there are, I'm going to call it fatal flaws or pitfalls that you want to be careful or tell people like, hey, here are things that I've typically seen be challenging and here's how to support your organization through them. What words of wisdom do you have here?

Drew Payne:

Words of wisdom...

Kerrin Mitchell:

You're so wise.

Drew Payne:

I think simplify. I think that's a good one. Yeah, that's important. Thinking about how we are contributing to positive change versus the attribution side of it. And also I would just say that you can



get started on this impact measurement management journey. There's no shortage of data. So really think about aligning with your vision, the mission, the issue areas that you're taking on and dig into that data that aligns to that impact framework that you develop and recognize that it's going to be iterative as well. And then for the funders out there, I think that a lot of times we are putting pressure on the grantees to measure impact and in some cases are requiring through top-down mechanisms, longitudinal studies that can be pretty expensive and complex, which I think there's space for that and the research side of it, but I would also say that to walk the walk as funders around how we're defining impact and being open to that. So those would be some thoughts I have in terms of pitfalls with some recommendations integrated.

Kerrin Mitchell:

Got it. Makes sense. What do you wish I'd asked you what additional things are kind of on your mind?

Drew Payne:

I want to hear from, I know you briefly mentioned the cohorts model. I want to hear, we talk about learning space, we talk about peer-to-peer learning. I'll flip it to you. Have you seen that work in UpMetrics? We've been implementing the cohort model and these learning collectors, but I'm curious what have you seen that work, some of the challenges but opportunities maybe around that learning space?

Kerrin Mitchell:

When we think about cohorts, I think the most impactful ones that I've seen so far, and I would say that this is anecdotal, my experience is no research behind this is just what I've seen. The regional ones seem to pick up speed and here's why. We have an alignment that exists to your point, that isn't just about this sort of idea of like, hey, we want to make an impact here in education. It's that they recognize that there is an ecosystem they're a part of. So when we talk about places like Detroit or New York where all of a sudden it's alignment not just in the sense that they're trying to deploy funds to the communities and the common denominator is the grantee, but what you actually have is a community. So in New York for example, Darren Walker talks to Barbara Picower, talks to whomever, they're all very aware at all levels, not just at the grantee level, but at that president, CEO level of how to support the organizations they're part of.

And oftentimes they're creating groups, whether it be at the executive level, they have 10 folks that say, we're all a part of this region in this manner and we want to coordinate. It's happening formally and informally. So what I think we have to be able to do is say, look, when we're talking about cohorts, the ability to say you're all going to have the same metrics, obviously would never work. And that's proven time and time again. But knowing that there are ways of coming in to say there are five to 10 variables that you guys care about as a group that would help to define the impact of your services, your investments, and that be whether it be demographic or whatever it be in terms of the cause you're looking at. I think there's something very powerful there. And again, it's happening informally, so it's almost up to us as technologists to say, where is this happening and how do we give them something to start so that they actually, it's almost like a Trojan horse.

You get in, you can give them some data and they're like, now we want to share more. I think the problem we have with cohorts of data is starting out and saying we want to have a cohort of data or of impact is challenging because they don't know what to ask for. And that rate determining step is the rate limiting step, which is just definition. So I think going in and saying there are five variables, six variables that we can sort of put forward and people can start to play with that and then ask for more.



That's the part I've seen people really gravitate towards. But it did have to start at the top down. I did see the Darren Walker, someone like that. I think he is really thoughtful about the way he asked questions of his peers and he can sort of put forward the idea of collaboration in a different manner. So that's kind of where I've seen success. But then again, you also have places like in Colorado, Denver, Detroit, Michigan, where you just have folks that are really fundamentally focused on delivering services around a certain area in a certain manner. And that also organically has created a lot of common denominators. So I think those affiliation groups are honestly the key to unleashing that cohort and impact learning collective concept.

Drew Payne:

Have you seen it Kerrin where it is a mix of the funders and the direct service, the grantees, nonprofits, or is it one or the other in terms of those tracks of cohorts?

Kerrin Mitchell:

I think it's interesting. A lot of the newer foundations that are coming forward, I have seen that work better. I think they're cognizant of that power struggle and some of the folks that may have older foundations operate in a way that they always have and have to have actual change management come in and change takes time. I mean, you and I know this, we've both been around our companies for quite some time. If you want to change something about the way people talk, you have to change the language, the structure, the process. So I'm seeing a lot of new foundations come up with this concept and I think that there is interest to the older foundations to do so. It just has taken a little bit of extra time because they have to align so many people to get there. But I think it's turning the boat's turning. I just don't think it's turning fast enough unless you have the opportunity to create from scratch, which again, beckons the new foundations faster into that change than others.

Drew Payne:

Yeah, I agree. I also just, I think that the intentionality and what we've learned around the cohorts that we've implemented is that upfront intentionality is to why are we here? What are we looking to accomplish? And trying to leave the agendas and egos at the door when going into that space. And I think that's a work in progress, but the more learning space that we can create within the sector is something that it's easy to say it. It's more difficult to execute. And so the more examples use cases where you're seeing that, I know I'd love to learn through the work that you're implementing.

Kerrin Mitchell:

And I think that's something that is the ongoing ask of folks like ourselves who are in technology, is to actually lift up those examples and really not just show them as successful, like, oh, we deployed. People oftentimes focus on almost the product or the process definition of how governance was managed. And you're like, that's really not the fricking point. Show us what the results were. Show us why it mattered. And I think people get called into action for the why, what moves you to walk, what moves you to protest, what moves you to change? And oftentimes it's because you've seen an example of where things can be different and how the world can be different. And I think that's the thing that people often forget. And that's really, again, when I look at Fluxx and UpMetrics for us, I think we can do the operational very well, but calling people into action, I think that's something that we need to step up and through help with UpMetrics and others, that's where I get super amped because it takes all the information that's moving through the system.



It's absolutely critical to feeding that story and that vision, but it helps to start to visualize it. So I'm really excited about it. I think it's the next realm of where we need to get to. And I think for so long impact measurement's been stuck in a services realm because people are just, they don't know where to start. But the more we can make it accessible, and again, technology's role is to take one story and make it 10,000, I think that's the thing that we can really help to do both in terms of the way we project, what we project, how we show success, but also how we make it something that gives people the ability to start somewhere. And I think that's starting point is oftentimes where people just fall flat.

Drew Payne:

I think of simplifying the complex, right? And that's part of what is critical around impact measurement management. That's something we should do for the sector, and I think it'll scale impact more effectively with that learning lens. That's part of our job and to make it happen.

Kerrin Mitchell:

Right? I am up for it. I'm into it. On that note though, I do, I reluctantly have to admit that I think we have to wrap up, Drew, even though I absolutely love chatting.