March 2020: This is a work-in-progress document that is regularly updated.

Please contact Meti Yemane at myemane@bluemeridian.org for the most up-to-date version.
BLUEPRINT 7 helps social sector leaders and philanthropists work together to **achieve exponentially greater results** and **expand effective strategies** to take on our society’s most pressing challenges.

The complex social problems we face can’t be solved overnight or in isolation.

Yet in communities across America, we see examples where the social sector is successfully reversing the racial achievement gap in education, tackling the consequences of unplanned pregnancy, promoting economic mobility for low-income children and families—and more.

What if we could do a better job of supporting these social sector leaders and organizations whose strategies are delivering progress against these challenges in communities all across the country?

What if we could **better tap their potential**?
**BLUEPRINT 7** is an aspirational framework for philanthropists and social sector leaders seeking to elevate successful strategies to even greater heights. To realize this potential, Blueprint 7 is grounded in several core beliefs:

People on the ground drive progress in communities, so lived experience and proximity to those who are directly impacted are critical. Likewise, these community stakeholders must be respected, listened to, and seen as partners.

Letting leaders lead. The social sector must invest in ways that show trust in, and unleash the power of, diverse social sector leaders and entrepreneurs—rather than seek to direct or control them.

How we deploy capital is as critical as providing more capital. The social sector suffers from massive underinvestment. Leaders require equitable access to right-sized, flexible capital to propel their work, confidently pursue their aspirations, and take smart risks.

Results and evidence are equally as important as intent and reputation. Our work is “head and heart;” so we must embrace passion and combine it with rigor, data, and a commitment to results.

Building capacity is the bedrock of long-term success. Upfront, we have to invest in developing resilient, inclusive and sustainable entities if we are to systematically make progress on big problems.

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**STRATEGIES** = organizations, programs, interventions, policies, campaigns, etc.
SEVEN ELEMENTS

Bringing together all seven elements of Blueprint 7 maximizes our ability to bring these core beliefs to life.

While all are good practices individually, it’s only when these elements are intentionally and thoughtfully combined that the whole becomes greater than its individual components.

Together, these seven dimensions:

• Situate social sector leaders in the driver’s seat, while maintaining accountability.

• Give philanthropists the foundation to have increased confidence in partnering with leaders and organizations—and, as a result, incentivize them to invest substantially more, share accountability for results and value beyond money.

©The Edna McConnell Clark Foundation/Blue Meridian Partners
For over two decades the Edna McConnell Clark Foundation (EMCF) and [now] Blue Meridian Partners have tested and refined this broadly applicable approach to aggregating and investing philanthropic capital.

Today, Blue Meridian Partners uses Blueprint 7 to find and fund scalable solutions to problems that trap America’s young people and families in poverty and limit economic mobility. We believe this approach can help empower more leaders and philanthropists to bring about real and lasting change.

Blueprint 7 is not intended to be a checklist of requirements or an overly rigid, “black & white” approach. Rather, we view this as an aspirational framework that helps us be more considerate of what’s required to assist social sector leaders and philanthropists in tackling a wide variety of challenges—from taking on the effects of racial disparities in the justice system to improving early childhood outcomes.

Within this framework, there are tensions inherent between the elements and balancing them is part of the “art” of our sector. We at Blue Meridian strive to continually improve our understanding and application of this approach to our work.
EMPOWERED PARTNERS

At Blueprint 7’s core, social sector leaders and philanthropists operate in ways that maximize each partner’s contributions. Leaders AND their organizations are the agents of change in communities. The philanthropist’s role is to approach the work with an investor mindset. This is the foundation upon which the other six elements of this approach are built.

Social Sector Leaders as The Agents of Change

Leaders and organizations, with authentic ties and connections to the communities they serve, are best situated to understand and respond to the aspirations and needs of their communities. Blueprint 7 offers a framework for creating greater equitable access and deploying more resources to nurture a diverse pool of leaders—especially leaders of color and those from the communities where they are working—to create change.

Philanthropists with Investor Mindsets

With Blueprint 7, philanthropists believe that leaders have the unique ability to execute based on track record, evidence, and potential—and see themselves as equally accountable for results. As a result, philanthropists have the confidence to put significantly more capital to productive use now.

REALITY OF STATUS QUO

There is great work happening in communities, but we’re only tapping the surface of this potential:

- Most nonprofits continue to be funded with restricted and/or short-term dollars. This piecemeal funding prevents leaders from realizing their strategy’s full potential.
- The first instinct of many philanthropists is to push their own theories of change, forcing social sector leaders to go off-mission or off-strategy in order to secure necessary funds.
- Furthermore, today’s social sector capital market does not fully reward performance. Too often, as an organization develops an effective strategy for impact, it can become harder to raise new funding to support more growth.
- Leaders and organizations from communities of color and other disenfranchised communities face significantly greater hurdles and structural barriers to flexible capital, resources, and support.
VISIONARY LEADERS

All parties embrace the social sector leaders’ vision for greater impact and have confidence in their ability to execute it.

A Vision for Exponential Impact
The organization and its leadership have an ambitious vision for expanding their work in new communities or for deepening impact in communities and regions currently served.

Leaders with a Track Record
The organization or strategy is led by a leader with a demonstrated track record, who holds him/herself accountable for the performance of the organization.

Aligned Leadership Team & Bench
The leader is supported by a diverse and talented team (at all levels) that reflects and is in tune with the community it serves. The team also has plans in place to fill critical gaps as it pursues growth.

A Board Fully Bought In
The board is fully aligned with the leadership team and shares ownership of its mission and growth plans, and likewise grows and adapts its own capacities to support the organization.

REALITY OF STATUS QUO
Today’s social sector has strong leaders with promising strategies and bold ambitions for change, however:

- Philanthropists often make investment decisions based on plans that speak to their own interests, rather than putting the leader’s vision at the center. This dysfunction actively discourages social sector leaders from thinking more boldly about large-scale impact and limits “smart risk-taking.”
- Leaders are expected to perform and deliver, despite not having access to the resources necessary to execute at a high level. Experimentation and innovation are especially difficult to fund in this context.
- Piecemeal funding (restricted and/or short-term funding) continues to be the norm, making it rare for leaders and organizations to raise the capital necessary to produce results and sufficiently invest in staff. It also exacerbates the difficulty of bringing in new leaders on the ground.
- In this environment, leaders of organizations from historically disenfranchised communities and communities of color face even higher burdens of proof to secure funding, particularly flexible capital.
PROVEN POTENTIAL

All parties have a complete picture of the social sector leader and strategy, having weighed and balanced a track record of past results, evidence, capacity, and future plans.

Demonstrated Track Record
The organization and its leadership have demonstrated the ability to grow and execute ambitious plans while maintaining the same high quality of service.

Capacity to Execute
The leader has identified the talent, systems, and strategies required to pursue greater impact, and either already has this capacity in place or has plans to fill critical gaps.

Dynamic Evidence Base
The leader is committed to amassing evidence of results—including both internal performance data and external validation—and supporting a culture of learning.

Culture of Learning
The organization or strategy embraces a culture of learning and a commitment to continuous improvement as it grows, replicates, and takes informed risks.

REALITY OF STATUS QUO
Public and private funders alike increasingly demand evidence of results, and leaders share this desire, yet:

• Piecemeal funding (restricted and/or short-term) prevents leaders from investing to sufficiently build capacity and execute with high quality, especially ahead of growth. This is particularly true for leaders from underrepresented and under-served communities.

• Leaders and organizations lack sufficient funding to build a body of evidence, and thus, also lack methods to evaluate and learn.

• A lack of access to unrestricted capital makes it impossible for most leaders to adequately invest in building and sustaining performance management capacity in their organizations, let alone have the latitude and space to reflect on what’s truly possible.

• Overly rigid standards for what constitutes ‘good evidence’ prevent funders from incorporating a broader range of work and hinder the ability of leaders to translate learning into on-the-ground practice.
PLANNING AS A ROADMAP

Philanthropists support social sector leaders in creating robust plans for realizing their visions—and those plans serve as a guide and a roadmap for all stakeholders. The best plans outline how strategies will be implemented to deepen and grow impact and results—they are the bedrock for establishing shared accountability.

Growth Strategy
To pursue a vision for exponential impact, a multi-phase plan includes:
• Growth strategies, with different scenarios
• Identification of necessary new capacities
• External partnerships required for large-scale impact

While Blue Meridian focuses on growth, these principles can be applied to deepen impact in current locations or boost capacity generally. Moreover, plans cannot be static; there must be room for adaptation, risk-taking, and innovation.

Sustainability Considerations
From the start, there is explicit consideration of financing and long-term sustainability of the enterprise, costs and benefits, opportunities to create efficiency, and return on investment.

Plan’s Full Cost
The plan calculates the total funding required (including growth capital, private philanthropy, public funds, earned revenue, and other sources) to fully execute all phases of a long-term growth plan, so that upfront growth investments can be “right-sized” to leaders’ true need.

Grantee Ownership
The final plan is driven and fully owned by the grantee, with its leadership and board embracing and holding themselves accountable for the plan’s goals and milestones. The plan’s development engages and is informed by stakeholders, including investors, beneficiaries, and others.

REALITY OF STATUS QUO
Funders want to back social sector leaders and organizations with the most effective strategies, however:
• Funders make investment decisions based on proposals and/or require tailored plans that speak to the funders’ specific interests, rather than putting the grantee—and the social sector leader’s vision—at the center.
• Many plans focus on growth and required capital but fail to address sustainability—leading to a “funding cliff” once capital is utilized.
• The philanthropic market’s general practice of making smaller, short-term and restricted grants radically undercapitalizes promising organizations, forcing leaders to focus more on fundraising than on execution.
• To survive, leaders and boards must often accept funds with restrictions or purposes not aligned with their strategy. The more disenfranchised the community, the more this dynamic plays out.
Philanthropists deliver flexible funding commensurate with the social sector leader’s need, with co-investors collaborating and fully aligned on shared goals.

Long-term, unrestricted capital is the lifeblood that leaders depend on; without it exponential results are impossible.

**Upfront & Unrestricted**

Upfront and flexible capital enables leaders to invest where necessary to execute their growth plans, especially to build capacity ahead of growth, take smart risks, and address unforeseen needs without derailing momentum.

**Right-Sized & Multi-Year Commitments**

Long-term commitments allow leaders to confidently build their work and organization in order to pursue growth.

**Aggregated & Aligned Flow**

Capital aggregation—aligned funding from multiple investors with a single set of performance metrics—creates efficiencies for all parties involved, especially leaders, and eases the work of managing multiple investors.

**Payout Based on Performance**

Capital is paid out in stages, contingent on meeting milestones. This allows for midcourse corrections based on performance and lessons learned.

**REALITY OF STATUS QUO**

Evidence affirms that strategies achieve stronger results when investors provide adequate, flexible funding that meets the full scope of the designated plan, yet:

- Most social sector dollars are restricted, which hampers grantees’ ability to perform and execute their plans with quality.
- While funders often expect immediate results, short-term commitments prevent leaders from being able to plan for the long-term or execute their plans with full confidence.
- Funding by multiple backers with divergent priorities and requirements strains grantees’ capacity and hinders efficiency.
- Funders use project-based funding or place other restrictions on capital, under the misguided belief that this will create accountability or promote performance.
Together, social sector leaders and philanthropists track and assess performance throughout the investment using mutually agreed-upon metrics derived from the organizational plan.

Performance is assessed holistically and takes into account multiple indicators of success—from organizational effectiveness to program quality.

REALITY OF STATUS QUO
Social sector leaders are eager to demonstrate their progress and results to prospective funders, but:

- Today, funders often make investment decisions based on proposals and/or require tailored plans that speak to their specific interests. As a result, performance is measured according to the philanthropist’s definition of success—not the organization’s.
- Organizations have to contend with the competing demands and priorities of multiple funders, making it difficult for leaders to align resources in ways that support their own vision and strategy.
- Without shared metrics, philanthropists end up demanding multiple, varying reports by funders or reporting based on the funder’s priorities, rather than the organization’s.

Grounded in Planning
Performance milestones, on which payout is based, are grounded in the goals of a growth plan and cover a range of areas such as: service and/or program capacity; quality & results; organizational strengthening; and finances.

Ambitious & Achievable
Milestones—set annually and for end-of-investment (typically two to four years)—are quantifiable and achievable, balancing ambition and realism.

Shared Tool for Problem-Solving
Mutually agreed-upon milestones offer a mechanism to track progress against strategic priorities, as well as create the opening for philanthropists and leaders to share learning and have honest, authentic conversations on challenges.
DYNAMIC COLLABORATION

All parties—philanthropists, social sector leaders, and policymakers—collaborate openly and honestly with each other to provide necessary support and troubleshoot challenges.

By altering expectations, philanthropists can become active partners with social sector leaders, instead of being passive funders.

Shared Expectations
Through a detailed growth plan and milestones, all parties—philanthropists, co-investors, and leaders—are aligned around goals, needs, and performance.

Creative Problem Solving
Philanthropists assist in identifying other resources and partners that can further advance the organization’s goals, including helping to make connections and form relationships, as well as tackling challenges and resolving issues.

A “Trusted Partner” vs. Consultant
Investors serve as strategic advisors and counselors to assist leaders tackle challenges and resolve issues; this relationship is grounded in trust and transparency.

REALITY OF STATUS QUO
To solve problems, funders and social sector leaders need to work collaboratively and be aligned on goals, yet:

- Funders cannot bring value into the relationship with leaders and help problem solve if leaders do not believe they can openly and honestly share challenges or needs without fear.
- Without clearly defined roles and goals, an unproductive power imbalance between funder/philanthropist and grantee is exacerbated.
- Without a shared understanding of what constitutes progress, social sector leaders see a “zero-sum” relationship with their funders—and are unwilling to be fully transparent.
WHY BLUEPRINT 7

Blueprint 7 is designed for those who see amazing work happening in the social sector right now and want to help turbo—charge it for **exponentially greater impact**.

We believe our collective efforts can achieve so much more when we unlock more productive capital to support a growing, diverse array of social sector leaders and organizations.

This framework is not meant to be applied to every nonprofit or situation. For example, the needs of startups can be radically different. Yet we ultimately believe that by combining the seven dimensions of Blueprint 7, we can creatively take on the barriers that the marketplace imposes on social sector leaders and philanthropists. At the same time, we can boost equity and build resilient sustainable strategies that can serve communities for years to come.