SmartyGrants:
The Revolution Marches On

**Presentation by Kathy Richardson to
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Introduction

My task today is to update you on what we've been up to over the past 12 months, and I want to do that by telling you what we think we've done well but also sharing some of the pain we've felt along the way.

I've always complained that people are too unwilling to share their horror stories, so I want to practice what I preach in the hopes that it'll encourage you all to do the same today (and beyond) as I think it's a key part of learning.

A quick heads up that I'm not going to be talking much about the functionality within SmartyGrants – Jodie will be doing that in the last session of today. What I do want to talk about is our grand vision, because SmartyGrants is not just about a tech solution, it's about changing how grantmaking is done.

Yes, we want to help you more efficiently move funds from A to B, but – more importantly – we want to help you ensure that your precious funds are being given to the right people, for the right things, at the right time, and in the right way. (According to what **you** think is right.)

That second bit is what we, internally at Our Community, refer to as "the revolution". And that's what I want to update you on today.

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Gender lens

In November 2016 (only four months ago – it feels like a lifetime) we released a batch of new standard fields, among them three new "gender lens" fields.

We worked with the Australian Women Donors Network (who have spoken at this conference in the past) to develop these questions.

They're designed to ensure that gender is properly considered when grantmakers and their grantees are designing and delivering grants-funded projects.

Because of how our society has traditionally operated, we know that many systems and structures – many of them invisible, most of them unconscious – favour men and boys. The gender-wise agenda is designed to bring greater equity to the development and delivery of programs and services.

The standard fields within SmartyGrants ask grantees to consider how they will (and did) address the needs of people of different genders.

Over time, we hope that awareness will be followed by action.

We're cautiously pleased with the take-up of these questions into application and acquittal forms within SmartyGrants, though we obviously do hope more of you will use them as time goes on and your forms come up for renewal.

The pain

Of course, there has been some pain. The questions were hard to write, and the technology that embedded the questions in the system was hard to build.

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We've been questioned about why we're focusing on gender at all, and also how people with diverse gender identities fit into this framework.

In response to the first question – why focus on gender – we released some help sheets for grantmakers and grantseekers to help explain the rationale. I'd be very happy to share those with you if you or your grantees still need convincing, and I know the Women Donors Network does some great training as well if that's of interest.

The question about the gender spectrum was a good one that we hadn't considered. In response, we amended our help sheets, and the questions, to try to remove the binary view.

Working on these questions also got us thinking about the other communities who may be missing out. Should we have questions that help people apply a disability lens? An Aboriginal lens? A multicultural lens? A climate change lens? All of these are worthy of consideration in due course.

CLASSIE

At the same time as working on the gender lens questions, we were also working on one of the toughest but also one of the most exciting projects we've undertaken at Our Community – development of a taxonomy, now known as CLASSIE.

Prior to the release of CLASSIE, many of you – maybe most of you – were already classifying your grants – you might ask your grantees to tell you who their beneficiaries are, for example.

CLASSIE seeks to introduce a *common* schema, something that every grantmaker can use, so that we're all using the same system of classification.

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The two new fields are designed to help you classify grants in terms of *subjects*

- Arts
- Sport
- Health

And *beneficiaries*

- Young people
- Indigenous people
- People with disabilities
- Rural people.

Those two new questions were released in November.

We are optimists by nature so we have aspirations that all of you will use all of these new fields on all of your forms all of the time. But we're also realists, and we know there are some barriers.

Some of you have told us that the subject taxonomy, in particular, is too big, too comprehensive. You tell us you want to just cherry pick particular bits of it – use just the arts part, for example.

Well, I'm not ruling out allowing you to do that at some point in the future, but we are going to resist your pressure for a while yet. You might think your grantees are focused on one area (the arts, say) but they tell us otherwise. A ballet program designed to increase the fitness and social wellbeing of young people from newly arrived immigrant communities is not just a ballet program. It's just not.

We know that there are other reasons that some of you are not using these new fields – many of you copy old forms across rather than creating new ones each time (and why wouldn't you?). We hope the next time you do this you think about adding a few of the new standard fields as well.

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The pain

Developing the lists, even though we didn't have to start from scratch, was painful. It took us more than a year and gave more than one of us more than a few grey hairs.

The subject section of CLASSIE that I referred to before contains around 900 entries, and pretty much every entry is potentially contentious to someone – should we list "pro-life" or "anti-abortion"; they're the kind of decisions we had to make.

We had a team of subject matter experts (some of whom are with us here) help us review particular sections. We're in their debt, as are all of you who use the taxonomy.

Then there was the question of how to bring the taxonomy to life – it's all very well to have a list of beneficiaries, but then you have to work out how to incorporate questions into forms that make sense and aren't overly onerous to applicants. Luckily we have the best team of developers in Australia – people who don't just code, but care about what they code – and they were up for the task.

We had to spend a lot of time, also, rebuilding the template forms available through SmartyGrants to incorporate the new standard fields. In doing so, we also shifted the focus of the forms from an accountability to a learning-based framework, and we expanded the number of templates from three to seven.

Why have we invested all of this time and money in CLASSIE, why push through the pain? Because we fervently believe that there is so much to be gained when we're all speaking the same language. Some of the outputs of this endeavour are likely to include:

- **The ability to understand more about your own work.** We're in the process of prototyping some dashboards that are likely to be released in SmartyGrants in the next few months. Presuming you're using the CLASSIE fields, we'll be able to show you instantly

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- How your grantees are doing in relation to their gender awareness
- **What sort of issues (subjects) your grants funds are supporting.** We're looking at showing both *funds requested* and *funds allocated* so you can seed demand versus supply.
- **Your top 10 beneficiary groups.**

So, what else can we do with these fields? Once we have a critical mass of grantmakers using the fields, we can provide some benchmarks.

Indicator widgets

Many of you will have already seen these widgets. They're available on your Programs page and they're indicators designed to give you some ideas about the health of your program.

- The first shows you how many of the applications that were completed properly and submitted were approved for a grant. Another way of looking at that is "how many applicants wasted their time in submitted a grant, and your time in assessing them."
- The second shows the proportion of applications that have been submitted of those that were started – another way of looking at that is "what proportion of people dropped out of the race at some point for whatever reason."
- Both of these indicators are designed to tell you something about how you're tracking. Like most things to do with data, they don't tell you *everything*, but they tell you *something*. It's up to you to decide whether those rates of drop-out or approval are acceptable, and if they're not, what you might be able to do about it.

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Benchmarks

If we can pool together some of your data, we might be able to tell you a bit more about whether those rates are acceptable or not. We could theoretically, for example, tell you:

- o Where you stand in relation to the whole grantmaking community (or at least the portion of it that uses SmartyGrants)
- o Where you stand in relation to your peers, split by:
  - Grantmaker type (e.g. local government to local government)
  - Grantmaker size (organisations that give away similar amounts of money to you)
  - Grantmaker focus (those who provide grants for sports, or the arts, or the environment)

Overlays

In the not-too-distant future, we'd like to be able to overlay all of this with information from other sources – ABS data such as the SEIFA index; or it might be ethnic density indicators.

Again, this is all designed to help you better understand how well you're addressing local needs. And again, it doesn't answer questions, it raises them.

That's only a small slice of the things we think could be done with this data if everyone gets on board.

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As with the gender lens fields, we're cautiously optimistic about the uptake of our two CLASSIE-linked standard fields – we believe about 5% of our customers are using at least one of the fields across 46 forms. (Local government is leading the way.)

What's next?

We've come a long way in getting CLASSIE into operation, but we've got a lot more to do.

- We're using analytics to refine the listings (we list livestock; but we now know through analytics that people search for 'cattle')

- We're working on the next sections of CLASSIE, which classify organisations and grantmakers. These will add another dimension to the understandings you can extract from your data.
- We are working on some geocoding projects (Jodie will talk more about that later
- And outcomes.

Outcomes

Outcomes is another thing that has always been on the long view for CLASSIE, and is now finally coming within reach.

Our aim is to create a list of standard outcomes – e.g. *to improve the environment; cut teenage pregnancy rates; to reduce the incidence of smoking* – across a number of domains (hopefully all of your domains).

As I'm sure you can imagine, this is another huge undertaking. But we have finally made a start.

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The main aim of this part of the project is to ensure that outcomes (as well as outputs and indicators, but that's another story) can be described and compiled in a systematic way that allows us to extract from them trends and insights about what works to create change.

It's our fervent hope that the work we're doing now will help us all along that path, with as little pain as possible.

(A sidenote: We've recently concluded our Grants in Australia survey and it found that grantseekers are increasingly being asked for outcomes data and evidence, but that they're very, very often having to fund those investigations themselves. I'd like to make an ambit claim on behalf of all grantseekers everywhere that any time you ask for outcomes data you add 20% to the grant you give out to fund them to do it.)

There's so much more I could say about outcomes – it's a pet topic of mine – but I'll keep that for next year when I have more to report.

But I'd be very, very happy to talk to you about where we're up to and where we're going and – importantly – how you can benefit from the work we're doing.

Data

Pretty much all of this, you may have realised, has an awful lot to do with data, and that has been, and will be, a key focus for our energy at SmartyGrants over the next 12 months and beyond.

We've set ourselves up for this by appointing a Head of Data Intelligence, Sarah Barker, as well as a data scientist, Joost van der Linden.

Of course, we're not new to data. Lately, though, we've been taking a bigger interest in the information we're generating.

For example, we've started by taking a closer look at our own data (what we know about our customers) to see what insights we can extract from it.

Analysis of the SmartyGrants customer database, for example, allows us to see that SmartyGrants is used to administer more than a billion dollars in grants per year, a figure that's growing steadily each year.

We can also start to get some insights about what's happening in the grantmaking world in general, or at least the portion of the grantmaking world that's using SmartyGrants. We can see, for example, that:

- The average annual distribution of all our customers combined seems to be going down (there may be less money out there for grants?)
- There are differences in different segments of our database – e.g. large councils appear to be growing their grants budgets, while rural/regional councils' grants budgets appear to have flattened.

Further analysis could potentially show us:

- How different types of grantmakers are tracking in relation to each other (federal government versus philanthropy, for example).
- If particular sized grantmakers (e.g. those distributing $30,000 or less versus those distributing $250 million or more) are giving out more or less money year on year.
- What the average distribution is for particular types of grantmakers (so that others in that category can benchmark their own figures – e.g. if small councils are giving out on average $100,000 per year and you're giving out $20,000 you will have some ammunition to go to council and see you need more money in the budget).

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Once we classify grantmakers more thoroughly – yes, we're working on system for classifying you, too – we could get a better picture about whether particular types of grants (e.g. grants for the arts; grants for sport; grants in the health arena) are going up or down year on year.

Open data

But enough about our data, let's talk some more about yours.

Recently we've started working with some of our customers to make some tentative moves into the open data arena.

We're looking at developing a schema that can be used by all types of grantmakers that will allow data to be extracted instantly (or at the push of a button) onto your own open data portals, and perhaps also to an open data portal that aggregates all grants data.

Now, please don't be frightened. You won't be forced to take part. But if you're interested in helping us shape which fields are used and how it all operates, give us a shout and we'll add you to our consultation list.

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The purpose of our data science program is to create actionable insights that grantmakers and not-for-profits can use to improve their practices.

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The word 'actionable' is important. We have to remind ourselves again and again that "interesting" is not the same as "useful". We strive constantly to ensure our efforts focus on the things that can actually be helpful to individual grantmakers, to their grantees, and to the field in general.

The pain

Of course, all of this brings with it some pain.

In particular, we have to rethink our data use policies. Our key concern is to ensure we can help all of our stakeholders benefit from the huge opportunities afforded by new ways of collecting and analysing data, without ever compromising our ethics, our reputation, and the privacy and confidentially we know you and your grantees rightly expect.

To help steer us down the right path, we've convened a Data Use Reference Group comprising grantmakers and not-for-profits. It will start meeting shortly.

Conclusion

All of this – "the revolution" – is happening at the same time that we have to keep doing all of the other stuff that we need to do in order to keep the lights on: providing excellent customer service to existing customers, finding new customers, constantly making improvements to the software. If we fall down on any of those fronts, we're sunk, so we're keeping focused on the core while also looking to the future.

All of this stuff is HARD. And painful. But no harder that what you're all doing every day. And so, so worthwhile.

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1. Please use the CLASSIE standard fields, or tell us why you won't or can't.
2. Take a look at the template forms; use them if you can, or tell us why you won't or can't.
3. Stay in touch – tell us what you're doing (offer to speak at next year's conference!), give us feedback, ask us for help.

It's been a big 12 months. It'll be another big 12 months ahead.

Thanks.

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