# Strategy Unit Results Assessment Team

**Portfolio Review of Portfolio Reviews**

**January 12, 2015. New York.**

One year after the portfolio review process was implemented at OSF, the Strategy Unit’s Results Assessment team conducted a portfolio review of its own. The intent was to determine if the process had achieved what was originally aimed, while focusing specifically on the role we played in supporting and developing the process. Johanna Chao Kreilick (Director, Strategy Unit) moderated the discussion.

**Portfolio Lead Presentation by Dan Sershen (Associate Director for Results Assessment, Strategy Unit)**

Dan spoke of the value that we derived from going through the portfolio review process ourselves. In addition to reflecting on our work, we were able to experience first-hand some of the challenges that programs faced. One of the biggest challenges, for example, was achieving the right tone in the portfolio review document; it was difficult to take ownership of the work that we had done without becoming self-defensive, and to make use of hindsight without second-guessing the decisions that we made.

The idea behind portfolio reviews is rather simple: we strengthen our “reflective muscle” by looking back on a defined body of work in a transparent and rigorous way in order to better understand how to adjust the work and be more effective moving forward. The central question, then, is how close the process came to fostering such a spirit of reflection. In considering this, we made several observations:

First, developing a sense of trust during the review is critical to achieving that spirit of reflection, but can be difficult. It requires a kind of negotiation between the presenting staff and reviewer(s), with both sides engaging in confidence-building measures to create a safe atmosphere in which staff feel comfortable being straightforward about their work. The process was designed to contribute to this by letting programs themselves determine the outcomes of portfolio reviews.

Relatedly, power dynamics play an important role, especially in presidential reviews. Programs felt and responded to the added pressure of the president’s presence in a variety of ways. Some became self-defensive which, though understandable, is contrary to the spirit of the review.

In terms of our own role, we focused too much on presidential reviews, allowing the most extreme, most formal, and yet least frequent type of review define the entire process. Moving forward, we will encourage programs to experiment with portfolio reviews at all three levels – presidential, board, and staff – with varying levels of formality.

Finally, we were surprised by the way programs saw our role in relation to the president. While we intended to be neutral advocates and process guides, we were often seen to be directly associated with Chris and/or seen as evaluators. This sometimes affected how programs engaged with us.

**Discussant Response by Goran Buldioski (Director, Think Tank Fund)** [09:09]

Goran shared his observations about the process based on the five portfolio reviews he was involved in in 2014. First, he spoke about the notion of a “portfolio,” noting that the term was not part of the general OSF parlance before the portfolio review process existed. He has seen that applying the new lens has changed programs’ underlying assumptions and what they are able to observe about their work. For example, there has been a shift from the singular to the plural – rather than discussing a single grant or action, staff now talk about a collection of activities. In addition, portfolio reviews have stimulated programs to think carefully about what kinds of grants they award or why a grant should not be made, considerations that are closely tied to the work of the Grant Making Support Group. Finally, the conversations have gone beyond grant making to consider the various other tools that OSF uses, and how they can be shaped together. The portfolio review process offers programs a strong analytical mechanism with methodological rigor to separate out and look across the various tools and modalities that comprise their portfolios. The critical questions going forward are how programs should manage their portfolios and manage their work *by* portfolio. The latter will be difficult not only because it is new, but because there is still inconsistency in how programs understand what a portfolio is.

Second, Goran spoke about the power dynamics that affect portfolio reviews and the culture that OSF is trying to create. Because staffers know that every act they make in front of top leadership is a demonstration of their ability, there is a risk that portfolio reviews become a cycle of performances for staff to boast about their work, or come to be seen primarily as performance assessments. Participants might thus approach a review with different understandings of the culture and purpose of the process; indeed, there is a tension between its compliance aspect and its aim to build OSF’s nascent culture of critical inquiry. The latter, furthermore, is something that not all individuals are currently comfortable with. The way to address this, Goran said, is not to create templates for the process, but to clarify expectations and try to develop a culture in which people are at ease discussing their work with others.

Moving forward, Goran suggested that the Results Assessment team consider specializing some reviews. The process has helped programs strategize, and should not be used to quantify our efforts, but to give staff a sense of the value they get for their investments. Making informed decisions about how to invest money and make trade-offs, both within and among programs, is a skill that all staff must master.

**Discussant Response by Chris Stone (President, OSF)** [17:46]

Chris feels that portfolio reviews worked particularly well and generated a lot of value for many people. He described the history of efforts at OSF to monitor, evaluate, and learn from our work in order to assess whether or not we are achieving change. The portfolio review process is a continuation of those efforts and sought, in particular, to achieve the difficult balance between their learning and accountability functions. Unlike many foundations, we designed the process to take stock of what we have and have not achieved through narrative and discussion, rather than with metrics.

Ultimately, portfolio reviews are meant to help define what accountability looks like at OSF: a retrospective conversation about our work with colleagues, external advisors, and/or leadership, with space for discussion and posing questions. This model has parallels to university panel discussions and child fatality review boards in hospitals, both of which focus on joint learning and adjustment in a trusting environment, rather than on metrics or disciplinary action. To Chris, the fact that staffers now understand this is the biggest achievement of the year. Individuals can do better work knowing that they will be held accountable, and understanding how they will be assessed.

Chris described some of the dynamics he had observed in reviews. First, he agreed that staff must overcome their tendency to become defensive. Second, rather than speaking only about what actually happened with their work, they should explain what they might have done differently had they known at the time of their decisions what they know now. As one review showed, the conversation is much more valuable when individuals are willing to reflect openly and admit mistakes. Finally, staff must understand that the purpose of portfolio reviews is not for the president to give programs instructions on what to do next; he can discuss options with them, but they should then take the time to carefully consider those possibilities before making a decision as to how to adjust their strategies. While Chris cannot leave his title at the door, he can help to lower the stakes by removing himself from discussions about follow up and leaving those decisions up to the programs.

Chris concluded by expressing his interest in seeing programs conduct more “light touch” staff- and board-level reviews in 2015, helping to build the practice as a more routine part of how we work throughout the organization.

**Open Discussion / Question & Answer Session** [31:54]

Dan began by responding to Chris’s suggestion that much of the anxiety around portfolio reviews had been mitigated by the actual experience. While the process may be less “scary” now, it is still so for many. The way that individuals perceive the process depends very much on the seat they sit in but, regardless of whether the review is felt to have gone well or not, the presenting staff in presidential reviews always feel a great deal of anxiety because of Chris’ participation. Time may resolve this as people become more comfortable with the process, but we might also be able to advance this habituation and help people get the same value from presidential reviews as they do in staff- and board-level reviews. To prevent staff from “over-preparing” for presidential reviews, we need to demonstrate that a more relaxed approach is okay. Figuring out how to do that is difficult, but we will draw from programs that are already experimenting.

Johanna then opened the floor to questions:

* Several colleagues asked what makes for a “good” review, and what some examples of good reviews are. Yervand Shirinyan (Deputy Director, Human Rights Initiative) asked if we would confirm his impression that identifying one or two issues to focus on in the discussion – rather than a range of topics that might arise – makes for a successful review by avoiding an unfocused discussion that does not lead anywhere.
* Dan gave two examples of strong portfolio reviews: the Education Support Program (ESP) review on grassroots organizing and social mobilization, and the Open Society Fellowships review on choreographing dissonance. ESP’s materials were especially strong; in particular, they did a great job of balancing specific references to individual grantees with analysis of grantees clustered according to what the program was trying to achieve. This set the stage for a good and productive conversation. Fellowships was able to successfully engage with the portfolio review model despite the challenges that individual-grant programs have faced with it; the program had a good experience in part because of the Strategy Unit’s proximity to and level of interaction with its staff. Talking through some of the issues they were grappling with led to a strong conversation in the room.

Daphne later added that successful reviews depend on a high level of candor and honesty from staff, emphasizing that we want to see a real discussion take place. There is not, for example, a certain number of mistakes that staff must admit to in order to have a “good” review. Staffers should not just present final conclusions about what they learned, but should share questions or issues they are still trying to figure out, so that they might benefit from the collective insight of the review participants. Dan advised that the best way to strike such candor is in the tone of the document, which should display genuine reflection.

In response to Yervand, Dan agreed that picking a few points where a program’s decisions were instrumental to the portfolio’s development is a nice way to create a narrative for the portfolio review document. It can be difficult to own our decisions when working through others, but portfolio reviews are an opportunity for staff to make their decision-making the focus of attention. Thus, a narrower approach is better than trying to encapsulate everything that happened over the course of the timeframe.

Chris also emphasized the importance of our own agency. He is frustrated with other foundations’ practice of basing their accountability on the success of their grantees. Rather than equating our success with that of a grantee, we focus on the decisions that we make. The portfolio review process has succeeded in making the subject of the reviews – and thus of our accountability – our own decision-making, and not that of our grantees. He considers this way of thinking about how foundations should hold themselves accountable a powerful innovation in philanthropy.

* Debora Guidetti (Program Manager, OSIFE) asked what does *not* work well in a portfolio review.
* Dan reiterated that staff must avoid becoming defensive. A defensive response can drive the reviewer to look harder for gaps in the program’s arguments; while some individuals respond well to such prodding, it could lead to a more antagonistic discussion rather than a constructive one. Staff must put such feelings aside and figure out how to make the time with the other participants useful.

Building trust is really a negotiation, and there are things we can do to create a conducive environment. Again, designing the process in such a way that programs do not face immediate consequences after a review, but are themselves responsible for following up, is one way that we tried to do this.

* Borislav Petranov (Director of Global Rights and Accountability, Human Rights Initiative) asked whether we would have done anything differently had we known then what we know now.
* Dan replied that we should have avoided getting swept up in the presidential reviews and making them the focus of our work. We should have scaled back our participation in presidential reviews and instead directed more of our attention to staff- and board-level reviews, with which we only engaged in a fairly passive way. Presidential reviews were more organized and on track, and our influence over them was more limited; on the other hand, we had significant potential to shape how programs approach non-presidential reviews.

In addition, the extent to which we engaged with programs on portfolio reviews has been uneven, determined, in part, by happenstance. We need to think about how we can be more consistent in the way we approach programs and better position ourselves so that staff see us as a resource.

Daphne later added that we were sometimes too passive in our communications. In the beginning, especially, we would only engage with or send messages to program directors, assuming that the information would be passed down to their staff. However, we later realized that this was not always the case, and should have ensured that our outreach was comprehensive.

* Susan Treadwell (Deputy Director, OSIFE) noted that the portfolio review document mentions an interest in considering reviewing types of portfolios other than those that represent a slice of a program’s strategy. She asked for examples of such portfolios.
* Daphne referred to [Appendix C](https://karl.soros.org/communities/strategy-unit/files/results-assessment/portfolio-reviews/portfolio-review-of-portfolio-reviews-january-12-2015/rad-portfolio-review-prd_appendix-c-types-of-portfolio-review.pdf/) to the portfolio review document, which illustrates different types of review. In particular, it shows two kinds of cross-cutting reviews: “attribute reviews” that explore the use of tools or particular characteristics of our activities, and “aggregate reviews” that explore how discrete strategies worked together to pursue a common goal. We identified these alternate reviews after seeing staff latch onto the portfolio review process as a means of assessing various kinds of work, even in ways beyond the process’ intended use; it was clear that there is an appetite for tools for reflection and assessment that only portfolio reviews are currently meeting. In order to preserve the integrity of the process without discouraging further reflective efforts, we considered ways that it could be used beyond reviews that looked at a slice of strategy. We sought to distinguish the different types of review so that we can adjust the model and the questions asked in order to best assess these portfolios. However, we have yet to develop these other models, and would appreciate if programs experimenting with them share their experiences with us.
* Susan Treadwell also asked about the challenges faced by new OSF entities, noting that OSIFE has found it difficult to identify portfolios of existing work that would be appropriate to review. Programs that have launched new strategies need to do a kind of ex-post facto rationalization in putting together a body of work – they must create a narrative that makes the pieces cohere after the fact. She asked for advice for new entities that do not have an existing strategy or other units that have a new strategy moving forward.
* Chris replied that managing by portfolio will likely help to resolve this. In 2014, many reviews began with the director or presenter explaining that the body of work in question had not been conceived as a portfolio, but would likely be moving forward. Programs should increasingly begin to think about their work in terms of portfolios, and to consider how their different elements fit together.
* Neil Campbell (Deputy Director, OSEPI) said that Dan was quite self-critical in terms of the Results Assessment team’s work with advocacy offices on portfolio reviews. Many advocacy staffers have participated in and/or contributed to portfolio reviews in various ways, so have a good idea of the process and how they should respond. However, he asked for greater clarity on how advocacy offices should engage with the process moving forward. Should advocates continue to engage in a fragmented way, participating in other programs’ reviews of the work that they have been involved in, or should advocacy offices identify a few of their own concepts to review?
* Chris answered that he sees advocacy offices doing both: participating in the advocacy elements of other programs’ strategic reviews, and also conducting reviews of their own concepts.

Several comments and questions that were posed during the review or via email were not addressed because of time constraints. We address them here:

* Yervand said that large programs that must conduct a number of portfolio reviews in the two-year timeframe sometimes experience a conflict between portfolio reviews and strategy reviews. This is especially true at the board-level, as board members have more of an appetite for and familiarity with conducting strategy-level reviews. How does the Strategy Unit propose to manage this dilemma?
* We acknowledge that the role we ask board members to play in portfolio reviews is quite different from the one they are most used to playing: helping programs with forward-planning for strategy development. We will be clarifying the guidance on portfolio review roles and preparing a draft e-mail that program directors can send to board members. [Now available [here](https://karl.soros.org/communities/strategy-unit/wiki/results-assessment/).] In addition, we will engage with board members at the annual Board Orientation and meeting of board chairs in June, and are available to participate in board meetings at programs’ request.
* Ken Zimmerman (Director, US Programs) spoke about the tension between portfolio reviews’ focus on funder behavior and decision-making, and their use for strategy development and review. The former is being increasingly emphasized, while the latter will become more important as programs implement their four-year strategies. Though examining the decisions we make as funders is invaluable, that focus sometimes comes into tension with our strategy as we move forward because a portfolio is only a piece of the strategy. As programs – especially large ones – begin writing their strategies, how should they see portfolio reviews fitting into the process? For example, might they capitalize on the very useful way that reviews push staff to think about the assumptions they make?
* Because the ultimate purpose of portfolio reviews is to help us improve our effectiveness moving forward, the process is closely tied to the strategy development and review process. We ask programs to document the outcomes of their reviews and adjust or annotate their strategies in real time so that that thinking can later be easily incorporated into the revised strategy. In addition, when programs prepare their review schedule for the year, they should consider which portfolios would best be reviewed at which time (and at which level) in order to be able to inform strategy development. Ultimately, we hope to see the process become integrated into programs’ normal work cycles.
* Ken also said that when and how a program considers what should happen as a result of a portfolio review was captured very well in the portfolio review document. Still, we have yet to figure out how to prevent portfolio reviews from becoming a “gotcha” exercise and determine how to best take advantage of the learning that results from them. There is a tension between learning about issues that inform us as grant makers and learning about issues that should inform policy orientation or dynamics in the external environment. These considerations should be emphasized more in order to make the process more effective.
* We agree that there are at least two kinds of learning that come out of portfolio reviews. However, while much of the learning falls into the realm of good practice, we have also seen direct application of portfolio review findings to strategy, i.e., when programs shift priorities or the approach to their work. We hope to see more of this in 2015, since our revised guidance encourages moderators to be more deliberate in saving the final 30 minutes of a review for discussing the way forward for a portfolio.
* Betsy Apple (Advocacy Director, Open Society Justice Initiative) pointed to the portfolio review document’s statement that, “in many peoples’ minds, the portfolio review process became synonymous with the presidential review process [which] at [its] least helpful […] can have a pageant-like aspect that is not conducive to frankness or useful dialogue.” Although they are conducted less frequently than others, have the presidential reviews created a “contagion” effect that impedes the maximum effectiveness (in terms of learning, accountability, and other laudable purposes) of portfolio reviews? If so, how do we address this issue?
* We expect that staff’s anxiety – which causes this pageant-like response – will be reduced as they gain experience and familiarity with the process. In particular, we hope that programs’ experimentation with less formal models of portfolio reviews at the staff and board levels will reverse the effect seen last year. Again, we should have paid more attention to these types of reviews instead of allowing presidential reviews to become the focus of our efforts. We will continue to revise the process and communicate about the culture we hope to create around portfolio reviews in order to help staff understand their purpose and maximize their usefulness.

To conclude, Johanna previewed two efforts that the Results Assessment team will pursue in 2015: the use of light-touch, informal reviews among staff and with advisory boards, and the practice of portfolio management. Finally, Chris spoke of the value and privilege of seeing and digging deeply into programs’ work as bodies of work rather than as individual grants or activities, as he had in the past – it was one of the most satisfying things for him in 2014, and has been transformative in his understanding of what we do as a foundation.