

# GEO Member Story



*How Social Venture Partners Seattle used a key moment to advance its philanthropic model and embrace a greater understanding of nonprofit needs and the challenges nonprofits face.*

In the aftermath of the 2008 recession, Social Venture Partners Seattle recognized an opportunity to provide the greater level of support its grantees needed during a challenging time. As SVP Seattle began to see several organizations struggle financially, it looked to find new ways it could act as a trusted ally to be more effective in the support it offers.

SVP Seattle's approach to philanthropy is focused on building relationships that go far beyond individual grants. It connects committed individual donors with nonprofits to volunteer their professional skills in addition to providing funding. SVP Seattle also commits to a five-year partnership with grantees to ensure they are as strong as possible moving forward. This long-term model is done with values around impact, connecting, equity, and being a trusted ally to its grantees. "SVP decided early in our history that we would do multiyear unrestricted funding and capacity building. This is our core work," says Mike Quinn, director of community investment at SVP Seattle. By offering the capacity building and technical assistance necessary to help nonprofits deliver stronger programs, take risks, build connections and innovate, SVP Seattle helps ensure that grantees ultimately achieve greater impact.

Quinn says, "The recession was a challenge for many of our grantees and we started to realize that if we pride ourselves on being good capacity builders, we're missing something. There needs to be more that we can do to help organizations."

In an effort to deliver more effective capacity building support, SVP Seattle began studying nonprofit finance. This represented a shift in SVP Seattle's culture and evolution of their philanthropic model, and was undertaken with an intentional desire to be a better partner to the nonprofits it supports. "I and another staff member attended a training on nonprofit finances hosted by Philanthropy Northwest and the Nonprofit Finance Fund. It was a great grounding in how to read and understand nonprofit financials," says Quinn.

Following this training, SVP Seattle worked to imbue this understanding of nonprofit finance into their work and partnerships with grantees. It began by developing its own internal dashboards to use during check-ins with grantees to get a sense of how organizations were doing on the key financial metrics. "Using the dashboards allowed us to start opening up the conversation around the true challenges that some of our grantees were facing," says Quinn. A better understanding of nonprofit finance not only allowed SVP Seattle to have a more honest and open partnership with grantees, but also more productive financial discussions because it had a greater understanding of nonprofit needs overall.

"We started by creating tools to help highlight an organization's financial health, and we focused on educating ourselves," says Quinn. "We wanted to start from a place of learning and listening. We

were learning from experts in the field, but also listening to our grantees and trying to engage in different types of conversations with them. That led us down the path to creating tools that we use internally to understand an organization’s financial position and also lay the groundwork for those conversations with grantees.”

SVP Seattle’s focus on nonprofit finance eventually led to the formation of a Finance Community of Practice, which has since developed a series of tools in partnership with and by learning from the nonprofits it supports. The Finance Community of Practice offered a way to help organize interested SVP donors around a particular skill set and educate people who were new to nonprofit finance. Quinn says, “As a group, we took a really high level look at nonprofit finance and decided the best place to start was to offer a finance assessment for our grantees. Since piloting and implementation, every nonprofit that has done the assessment has seen some quick wins and have been able to identify things they can start making improvements on immediately.”

Because SVP Seattle understood what it was trying to achieve with its capacity building, it was able to take advantage of a challenging moment to become better partners to the organizations it serves. By aligning its strategy, operations, and culture, SVP Seattle has been able to ensure that the organization delivers on its value of being a trusted ally and delivering the support its grantees truly need.

“There can be a stigma around finance, so how you structure and frame the conversation is really important,” Quinn points out. “Often when you start talking about finances with a nonprofit, especially if you’re not investing in them yet, people can be really afraid to open up about their challenges. Yet, that is what’s needed to provide the type of technical assistance that will strengthen an organization. At a foundational level, an organization needs to be driving and asking for what they really need. A one-size-fits-all solution will not be the best approach to capacity building.”

To learn more about the evolution of SVP Seattle’s capacity building work and to hear Open Arms Perinatal Service’s experience as the first grantee to test the financial tools, [click here](#).

To learn more about nonprofit finance tools, please explore these and other resources:

- [Nonprofit Finance Fund](#)
- [StrongNonprofits.org](#) (A partnership between Fiscal Management Associates and The Wallace Foundation)
- [Financial SCAN](#) (A partnership between Guidestar and Nonprofit Finance Fund)

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To learn more about Social Venture Partners Seattle, visit: <http://www.socialventurepartners.org/seattle/>

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### **GEO resources related to this member story:**

