"ProGrid Philanthropy®" – A Tool to Measure and Improve the Performance of Charitable Foundations

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The Need for Performance Measures

The resources available for solving society's problems are scarcer than ever, but it is generally thought that charitable foundations can achieve greater social impacts for the same cost than either governments or private donors. Foundations are crucial in the alleviation of society's problems and investment in improving their performance may have a greater relative impact on society that many other initiatives.

Porter and Kramer (1999)[2] noted that not enough foundations thought strategically about how they could create the most value for society with the limited resources at their disposal. Many foundations considered that measuring their own performance was unrelated to their primary charitable philanthropic mission, and were unwilling or unable to rethink what they did and how they did it. While foundations tend to rely on grantee evaluations and operational measures to assess their own performance, these are often insufficient from a management perspective. A 1999 Colorado Trust Report[3] noted that "foundations most often direct their evaluations at the activities of their grantees, only rarely subjecting themselves to the same level of scrutiny, accountability - and discomfort" and that "the paucity of foundation-focused evaluation *severely limits the effectiveness of the philanthropic sector".*

Many non-profits, foundations and otherwise, operate without the discipline of bottom-line performance measures, and measuring performance with any degree of explicitness or objectivity is quite difficult. So they have less incentive to measure and manage their own performance. Some foundations have been successful in encouraging their grantees to measure their performance better. But what of the foundations themselves? The more they are able to improve the performance of social enterprises, create knowledge, and influence public and private sector efforts, the greater will be their social impact.

Porter and Kramer identified four ways for a foundation to create greater value – selecting the "right" grantees, signaling others (leverage), improving their grantees' own performance, and creating new ideas. But the ability to create value and impact in this way requires a *real strategy*, which they defined as "a definition of its distinctiveness and a discipline that dictates every aspect of the organization's operations". Instead of competing in markets, foundations are in the business of contributing to society by using their scarce resources to their maximum potential. Even a charitable foundation must attempt to "serve its customer needs" better than its

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[2] Porter, Michael E and Kramer, Mark. *"Philanthropy's New Agenda – Creating Value".* Harvard Business Review, November-December, 1999

[3] Easterling, Doug and Csuti, Nancy Baughman. *"Using Evaluation to Improve Grantmaking: What's Good for the Goose is Good for the Grantor".* The Colorado Trust, March 1999.

"competitors". It must also compete for donations. That means not only optimizing the value obtained from its own resources, but also *demonstrating* that effectiveness.

If a common goal of foundations is "superior performance in a chosen area", how can this performance be measured? Not only by measuring its grantees' performance by conducting evaluations and learning from the results. Porter and Kramer's "new agenda" requires that foundations develop (and presumably publish) a strategy; align their operations with the strategy; and revise their governance so that the strategy can be monitored effectively. A particularly important component of operational alignment is the development of measures (and a mechanism) to help the foundation know whether or not it is successful.

The Centre for Effective Philanthropy (CEP) published its "Indicators of Effectiveness"[4] in 2002. Its central thesis was that better performance assessment would lead to greater effectiveness of foundations, and that this would increase their impact on the people and the issues they aim to affect. The study was designed to explore the feasibility of defining foundation performance and then of measuring it. The study suggested that foundations can indeed find practical and measurable proxies for "social impact" to enable them to improve their effectiveness, and provided examples.

Key findings of the study were that foundations are facing increased scrutiny by legislators and others to measure and improve their performance; that formal grantee performance evaluations, while useful, are difficult to aggregate in order to measure overall foundation performance; that there is typically a lack of objective performance measurement data available to foundation managers; and that there is almost no *comparative* data available which might enable foundations to measure their relative performance. Additional efforts are needed to develop better measuring tools.

This paper deals with three key areas of foundations' management:

1. ***Measuring the performance of individual foundations;***
2. ***Measuring the comparative performance of groups of foundations; and***
3. ***Selecting the most suitable grantees from grantee proposals.***

Conceptualizing Performance Measures

The CEP study encapsulated foundation performance in a single statement – *"the more benefit, or social impact, produced from a given pool of resources, the more effective the foundation".* The ideal way to measure the performance, therefore, would be to measure and assess the social benefit per unit of resources invested. This, of course, is easier said than done. Not only are there major data collection, assessment, and evaluation cost problems, but measuring the degree of causality between what a foundation's grant actually did and the perceived change in social condition also presents technical problems.

The CEP suggested there was a need for new thinking about both *measures* and *data* so that performance could be measured and summarized at the overall foundation level. Two approaches explored were *indirect indicators* and *comparative assessment*. This paper deals primarily with the former, but the latter (as a potential consequence of the former) is also discussed briefly.

[4] ------- "*Indicators of Effectiveness – Understanding and Improving Foundation Performance"*, Centre for Effective Philosophy, Inc., Boston, MA, 2002.

Indirect Indicators – the Framework for Performance Assessment

Indirect indicators are those which, taken together, can provide an indication of a foundation's performance and may be used to a greater or lesser degree as surrogates for other more complex, elusive, or expensive indicators such as the relative cost of social change.

Figure 4, on page 13 of the CEP study, identified a series of indirect indicators, described as "beneficiary measures", "intermediate measures" and "foundation measures". Seventeen major indicators were identified in four categories, as follows:

Achieving impacts Program objectives Grant objectives Strengthening grantees Funding influence and leverage Field effects	**Managing operations** Consistency with objectives Grantee selection process Grantee interactions Staffing Administrative expense Endowment investment performance
Setting the Agenda Focus area Goals Approach	**Optimizing Governance** Accountability Stewardship Active engagement

Three of these indirect indicators, funding leverage, administrative expense, and stewardship can be measured fairly simply by reference to tangible or quantitative measures. As well, some other indicators have components that may be measured quantitatively. However, the remainder are primarily *qualitative* and intangible and their measurement is therefore rather more difficult and less objective. We are thus left with a series of important indicators which are, at the same time, *intangible*, *qualitative* and *difficult to measure*.

ProGrid® Language Ladder™ Methodology for the Measurement of Intangibles[5]

First and foremost, the ProGrid Language Ladder methodology is not designed to replace the traditional forms of program and grant effectiveness evaluation in foundations, though it can help there too. It is rather a complimentary activity which can provide an additional "foundation focused" dimension to evaluation and assessment hitherto lacking. The example discussed below is intentionally couched at the "high level" – that at which a Board of Trustees tends to operate. However, it can just as easily be aimed at lower level issues, just as long as the performance criteria are mainly intangible and quantitative data are hard (or expensive) to come by.

Sometimes, "evaluations" are collections of data to which opinions are applied in order to provide an interpretation or to reach a conclusion. Given limitations on evaluation resources, no matter how sophisticated the approach, these opinions are often quite subjective. Language Ladders provide the opportunity to solicit opinions in a rigorous and explicit way in order to provide a much enhanced level of objectivity to the traditional performance assessment process.

[5] ProGrid® (www.progrid.ca) is a patented methodology and the term "Language Ladder" is trademarked. FORUM Decision Systems is a registered user and vendor of ProGrid Language Ladder methodology and has exclusive rights to its use in British Columbia. ProGrid Ventures Inc., FORUM Decision Systems, and the clients for whom they were produced copyright all ProGrid materials and documents.

One further point. There are no restrictions on who a foundation might choose to involve in a Language Ladder evaluation process. The process is so simple, efficient and effective that groups or individuals who might not otherwise be able contribute to a traditional evaluation can be invited to participate in the process. This is a valuable feature when relationships, for example with grantees, donors, staff and other stakeholder groups, are so important.

ProGrid Language Ladders have been used for a decade in several government and industry sectors to evaluate discrete options and select the "best" from those available, based on their qualitative indicators of their measures of expected performance. Language Ladders are used when the quantitative metrics one might ideally seek are elusive or non-existent; they are inappropriate for the decision; they are too expensive to collect, or they are not sufficiently robust to stand up to rigorous scrutiny. Some examples are selecting science and technology research projects for government funding; selecting outside agencies to provide services to governments; evaluating the performance of government agencies; and evaluating the performance of corporate governance structures. In that it uses an explicit ranking system to evaluate the alternatives, it is also used to rank *qualities*, even if there is no need to "select a winner".

The ProGrid Language Ladder software has two fundamental components, the "engine" and the "user content" (the measures of expected performance). The user content is specified solely by the user's requirements - hence the universal appeal to "evaluators" in many disciplines. The methodology employs a matrix approach with user-selected performance criteria and a series of "Language Ladder statements", expressed in plain English. These statements are completed by experts such as a Board, the Executive Director, a client group, grantee representatives, evaluators or peer review panels, depending on the performance issues to be evaluated. However, they must be key people with firsthand knowledge. The software compiles assessment rankings based on their responses and generates a series of easy-to-read user reports that explain the performance.

The inherent flexibility enables the use of Language Ladders at several different levels of the organization. For example, a foundation may use it to:

- Identify and diagnose high level, low performing management areas on which the Board's attention ought to be focused;
- Explicitly evaluate in more depth the performance of any, or all, areas of management;
- Select the "best" grants and grantees from proposals submitted according to explicit criteria published by the foundation[6]; and
- Compare the relative strength and weaknesses with other, similar foundations (benchmarking).

The ProGrid software is participative, iterative, user friendly and, best of all, it is easy for busy people to use and to manage.

The Process

The following example shows how Language Ladders would be used in a foundation to diagnose areas of management weakness. The example can only indicate the basic fundamentals and reporting of the operation. It cannot display the richness of the methodology..

1 Establish the Performance Criteria

First, the foundation identifies the two "overarching" objectives it considers most crucial to its success. Let us assume it selects the *"quality of its governance"* and its *"impact on society"*.

[6] This is the most common use of ProGrid, where it has proved sufficiently rigorous in over 30 government organizations and non-profits to guide the investment of some $2 billion annually in grantor investment.

These are used to head up the first and third columns of the performance matrix shown below. A third heading represents the crucial "enablers" which represent the linkages between the two overarching performance objectives. This is entered in the centre column.

Next, it identifies a series of performance criteria which are fundamental to the achievement of these two overarching objectives. Using the indirect indicators derived from Figure 4 in the CEP study, the completed matrix will look like Figure 1.

Figure 1. EXAMPLE PERFORMANCE MATRIX FOR A CHARITABLE FOUNDATION[7]

Governance Criteria	Enabling Criteria	Impact Criteria
1. Accountability	5. Alignment with Objectives	9. Strengthening Grantees
2. Financial Stewardship	6. Grantee Selection Process	10. Leverage
3. Engagement	7. Grantee Interactions	11. Effects on Field
4. Endowment Performance	8. Staff Interactions	12. Program Impact

Each of the twelve performance measures represents an area in which superior performance must be achieved in order for the organization to achieve its overarching objectives of *high quality governance* and *impact on society*. If good performance can be measured for every criterion, the foundation is performing very well. If poor performance is detected in any criterion, overall organization performance may suffer.

While twelve performance criteria are displayed, the Language Ladders can use virtually any number of performance criteria, at any level of detail, by "cascading" the matrices. For most applications, users find twelve criteria quite sufficient.

2 Choose the Evaluators

The second step is to choose the evaluators. As noted, this will depend on the issues to be evaluated. The process uses "knowledgeable people, appropriate for the circumstance".

A logical first step is for a Board of Trustees to be their own "expert panel" to quickly assess the perceived performance of their organization in respect of the high level criteria in the above matrix. This quick and simple process will provide a first level assessment based on their knowledge, experience and perceptions[8]. They may also choose to include other stakeholders such as grantee representatives, sector experts or public officials. Each evaluator would probably spend no more than 30 minutes on such a high level performance review, and an hour in a meeting to review the results, so this is not an unreasonable imposition.

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[7] Note that, if these example criteria were generally acceptable to a large number of charitable foundations, they would provide the basic elements of a comparative measuring process whereby the relative performance of like foundations could be measured.

[8] Some would criticize this as "inward looking". However, since it relies entirely on those who know most about the organization, and who are ultimately accountable for its performance, it is a logical first step.

For some criteria, external review panels are necessary. For example, the assessment of "grantee interaction" will benefit from the use of grantee representatives[9], in order to examine their perceptions of performance and compare them with those of the Board. The more an issue affects external stakeholders, the greater the need for external representation on the panel.

With broadly based panels, information can be collected by email. Again, each contributor would be asked to spend no more than 30 minutes on the assessment.

The "Language Ladder™" is the standard instrument used for measurement and data capture. The Language Ladder is a series of statements which allow each evaluator to select a statement which best reflects his/her opinion of the foundation's performance. There is one Language Ladder for each performance criterion in the matrix, usually containing four or six statements. Like the performance criteria in the matrix, these are user defined, and approved at the highest level.

The Language Ladders are designed so that Level C represents the foundation's acceptable level of "good performance". Level D is a level beyond "good performance" and represents the best practice achieved by pacesetter organizations. . Because they are written in English, an evaluator has no difficulty in choosing the level he/she finds most suitable. There is no need to interpret what an evaluator might mean if a numeric ranking approach were used.

A Language Ladder for Criterion 6, the Grantee Selection Process, might look like this:

Figure 2 – LANGUAGE LADDER FOR CRITERION 6, GRANTEE SELECTION PROCESS (ALTERNATIVE 1)	
The Foundation has an informal decision process for assessing and awarding grants.	**A**
The Foundation has a formal and systematic decision process for assessing and awarding grants.	**B**
The Foundation has a formal and systematic decision process for assessing and awarding grants, **and** it includes knowledgeable specialist evaluators	**C**
The Foundation has a disciplined, objective, systematic and effective review process with extensive use of knowledgeable specialist evaluators who have demonstrated a high level of commitment to a transparent, fair and effective review process. The review process includes a methodology for post-award evaluation to guide future decision processes.	**D**

A second foundation might view its grantee selection process in a different way and so it would write its Language Ladder quite differently, for example:

Figure 3 – LANGUAGE LADDER FOR CRITERION 6, GRANTEE SELECTION PROCESS (ALTERNATIVE 2)	
The grant selection process has resulted in a significant history of appeals and complaints from unsuccessful applicants and their resolution takes up more staff and/or Board time than it should. Its decisions are not well accepted in the grantee community.	**A**
The grant selection process has resulted in some history of appeals and complaints from unsuccessful applicants but the time taken for their resolution is generally manageable. Its decisions are only moderately well accepted in the grantee community.	**B**

[9] With ProGrid's standard assessment form, it would be quite feasible to include all of them.

The grant selection process has resulted in the foundation rarely recording appeals and complaints from unsuccessful applicants and the time taken for their resolution is minimal. Its decisions are well accepted in the grantee community.	**C**
The grant selection process has resulted in the foundation having no history of appeals and complaints from unsuccessful applicants. Its decisions are accepted without question in the grantee community.	**D**

A Language Ladder for Criterion 5, Alignment with Objectives, might look like this.

Figure 4 – LANGUAGE LADDER FOR CRITERION 5, ALIGNMENT WITH OBJECTIVES	
Most grants approved are considered to be in general alignment with the objectives of the Foundation.	**A**
All of the grants approved are explicitly aligned with the objectives of the Foundation and there is a systematic process for reporting on their degree of alignment.	**B**
All of the grants approved, *and most of those submitted,* are explicitly aligned with the objectives of the Foundation and there is a systematic process for reporting on the degree of alignment with the areas of focus that the Foundation has established and published.	**C**
All of the grants approved, *and most of those submitted*, are explicitly aligned with the objectives of the Foundation and there is a systematic process for reporting on the degree of alignment with the areas of focus that the Foundation has established and published. The organization is recognized by its peers as one of the most effective sources of support in its chosen area(s) of focus.	**D**

4 Conduct the Evaluation

This example assumes that each evaluator is sufficiently knowledgeable that additional information is not necessary to make this preliminary assessment of performance.

Each evaluator is given one set of Language Ladder forms. He/she marks one letter in each ladder by moving through from A to D. A letter is selected *only if all the conditions contained in the description are completely fulfilled*. If a condition is not completely fulfilled, the lower letter must be selected. A typical assessment form consists of twelve sets of Language Ladders, one for each performance criterion, each containing four statements. Since an evaluator has only to read twelve Language Ladders, typically contained in about six pages, the process is simple and takes little time. Data entry is directly from the forms, from a one-page data entry form or by using response screens at the computer. The form provides space for brief explanatory comments, which are also recorded.

A "Window on the Future"

As well as asking for assessment information on the current situation, the Language Ladders may be designed to ask the evaluators not just where they are, but *where they think they should be in the future*. By showing the differences between the status quo and one or more future conditions, the ProGrid software can produce charts showing which performance areas are furthest "in arrears", exactly where corrective efforts should be focused, and what will happen to the overall performance measures if the "performance gap" is closed.

The Results

Once the assessments are in the database, there are several ways of reporting the results. All reports are displayed in graphs and charts and designed for display on a wall screen so that the busy people on the Board or the evaluation panel can *see* the results as they discuss them. Should panel members wish to change their assessments as a result of their discussions, the updated results are immediately displayed on the screen.

The following charts result from a hypothetical evaluation of the “One Planet Protection Fund”, a foundation established to support efforts to re-establish forest cover in specified third world countries. While hypothetical, the charts are illustrative of the results from many previous ProGrid Language Ladder applications.

In this case the Executive Director (serving as the foundation’s “advocate”) and three assessors representing various stakeholder groups assessed the performance. The evaluation matrix and language ladders previously described were used as the framework for the assessment.

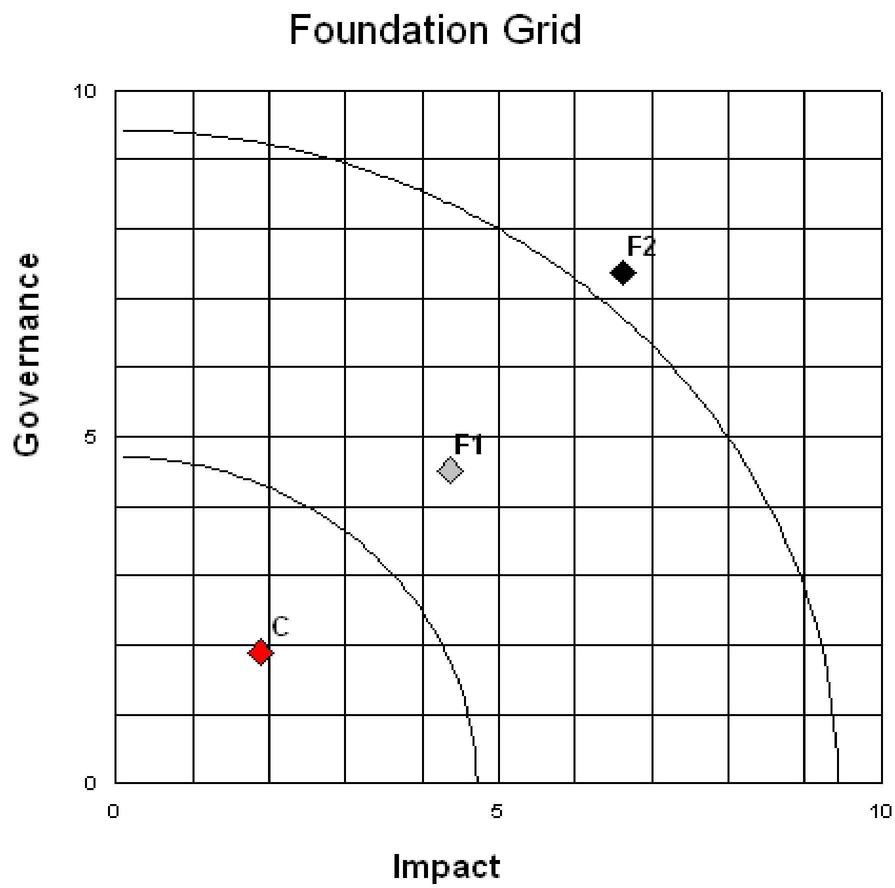
The following pages show the “standard” reports which ProGrid would produce for this type of foundation assessment, including the “Window on the Future” option.

1 The Foundation Grid

This simple Grid chart displays the current position of the foundation as seen by the three “outside” assessors, and two expected future positions based on the existing strategic plans of the foundation. F1 is the position within the next three years and F2 a longer term preferred future state. “Governance” and “Impact” are used as grid axes, reflecting the “overarching” performance factors determined when the performance matrix was designed.

High performing organizations tend to place in the top right-hand corner. The Grid indicates that overall performance for this foundation is low, but it may be much improved if the existing plan is followed.

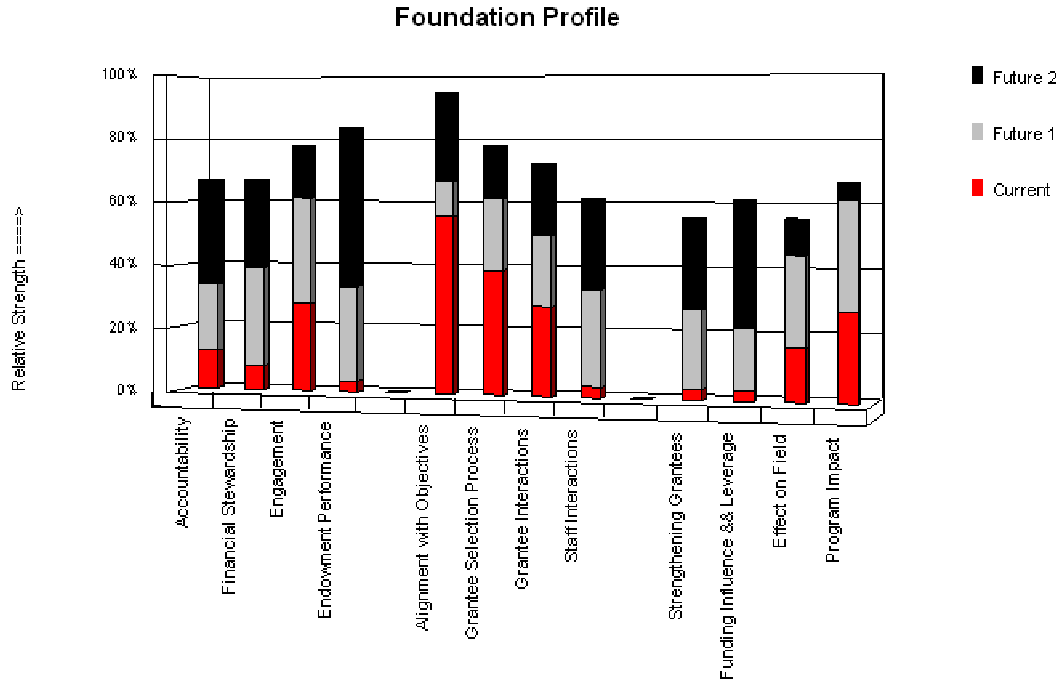
[10] Many foundations use a standard “closed ended” format for grant applications. Fewer use a sophisticated methodology to evaluate them. Many use numeric ranking systems, the objectivity of which is questionable.



2 The Foundation Profile

The following Profile chart depicts the detailed assessment for each of the twelve cells in the performance matrix. This identifies the current level of performance, the difference between the current assessment and the future target, and the specific areas where performance improvement is essential to move to the two future states.

For example, the expected future state for “Alignment with Objectives” is very high, at almost 100%, as it should be. But the current assessment, while quite high, is at less than 60%. The performance levels for endowment performance and staff interactions are assessed exceptionally low, and the foundation appears to have been notably unsuccessful in leveraging its projects.

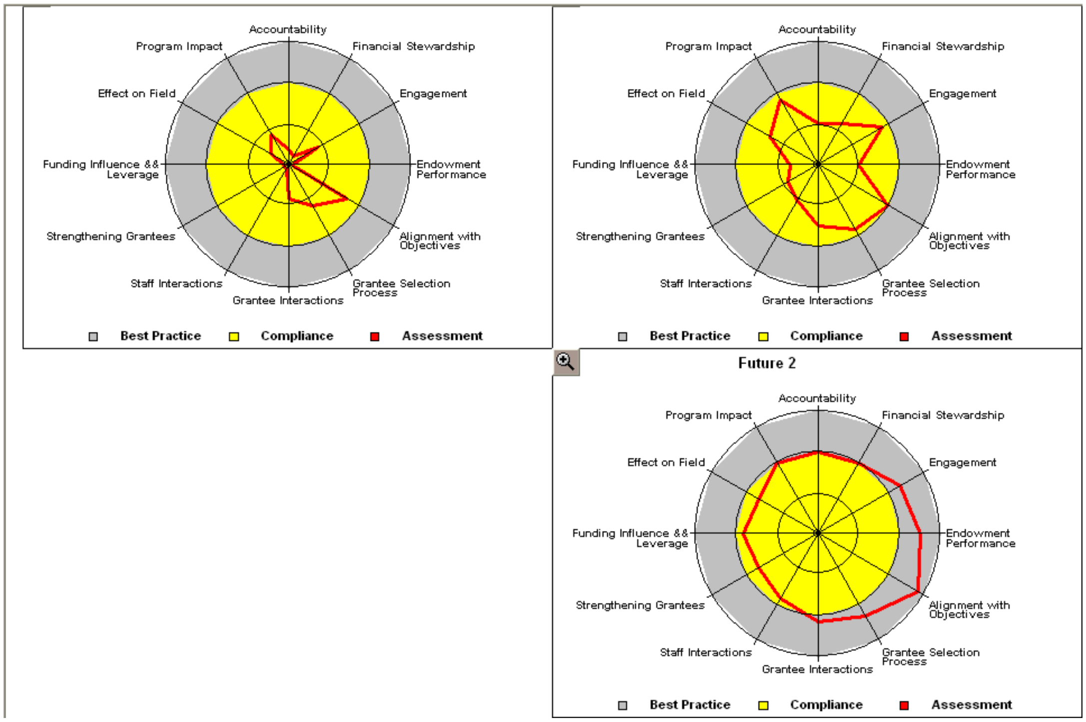


3 The "Radar Screen"

Foundations do not necessarily need to operate at the "best practice" or "pacesetter" level in all respects. Indeed acting as a pacesetter may be too expensive, or beyond the reach of the foundation for many practical reasons. However, it may choose to act as a pacesetter with regard to some criteria, or to operate somewhere between "compliance" and "pacesetter" levels with others.

The charts below provide a different view of the assessment, showing how the foundation can progress from its current position through one of "compliance", representing a fully satisfactory level of performance, to "best practice", representing the level achieved by pacesetter foundations. The grey area indicates "best practice" for each performance criterion, the yellow represents "compliance", and the red border the foundation's assessment for each criterion. The first chart shows the current assessment, the second the "future 1" condition and the third the "future 2" condition.

In this case, the foundation has identified "compliance" with regard to most performance criteria by "future 2". However, it has also indicates that it expects to be at the "best practice" level in respect of its ability to align grants with its own objectives.



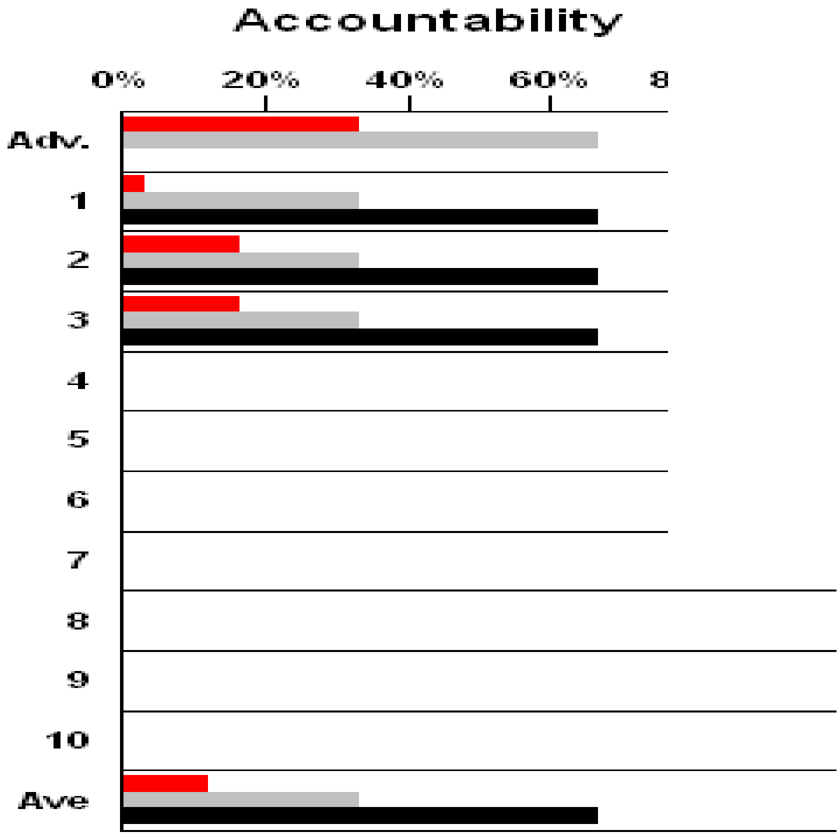
4 "What Next?" – the Action Statements

One of the powerful aspects of methodology is the definition of Action Statements which describe what must be accomplished to move to the higher levels of performance. The following are the actions recommended that this Foundation should take for the first two cells in the Evaluation Matrix.

	Action to move from Current to Future 1	Action to move from Future 1 to Future 2
Accountability	Put in place processes to provide full, accurate and meaningful reports of the Foundation's operations.	Develop plans which will show that the objectives of the sponsors and/or mandate of the Foundation have been fully met.
Financial Stewardship	Put in place processes to achieve an unblemished record in performing the accounting functions associated with the Foundation's operations.	Develop plans to ensure that timely and accurate financial reports are positively received by all key stakeholders.

5 "Advocate" and "Assessor" Comparisons

In the detailed analysis of the results it is important to compare the results of each assessor with those of the internal "advocate". This is depicted in the chart below, which indicates for one of the cells in the evaluation matrix how the advocate's assessment (Adv.) compares with those of the external assessors (1, 2, 3). The red bars represent the current situation, and the grey and black "future 1" and "future 2" respectively. Note that the advocate consistently rates foundation performance higher than do the external assessors.

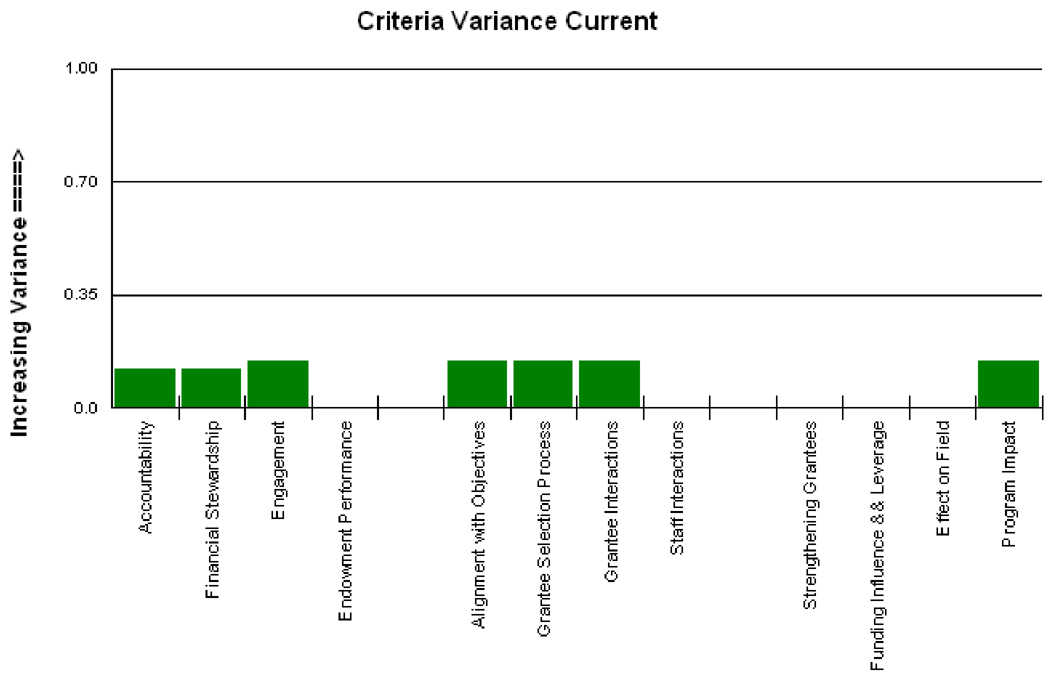


6 Assessor Variance

The following chart is designed to identify, and focus discussion on, areas of high assessor variance for each performance criterion. Many users find this the most valuable of the ProGrid reports. Where the variance is low, the assessment represents a consensus and need not be examined more closely. Where the variance is high, discussion between the assessors will doubtless follow, not necessarily to change opinions, but rather to compare legitimate reasons for the difference. Participants may change their opinion on the basis of the discussion, or they may agree to differ. Because the original assessments have been done independently, it is unlikely that the most "persuasive" assessor will unduly influence the final assessments.

The absence of vertical green bars in the following chart indicates performance criteria where there is complete agreement among the assessors. The remaining criteria have a variance of less than .35, considered to be well within the normal range. This level of variance would not require extensive discussion or debate among assessors. However, were the variance .70 or above, discussion would certainly ensue – *but it would be explicitly focused on that criterion*.

Should an assessor wish to change a ranking as a result of the discussion, this may be done in the meeting and all the reports updated instantaneously.



Additional ProGrid® Performance Measurement Features

Comparative Assessment – Measuring the Relative Performance of Foundations

Porter suggested that the high level performance criteria for effective foundations were probably more consistent than many might expect. Assuming that a group of foundations were to agree on relevant performance criteria and Language Ladder Statements (and the CEP report provides an excellent lead in this respect) it would be possible to use the Language Ladder concept to collect benchmark data from as many foundations as chose to participate.

All of the above charts represent the evaluation of a single foundation. If many foundations are involved in a formal benchmarking program, charts comparing foundations by size, interest area and geographic region may be produced. These are extremely helpful for Boards of Directors or Trustees, and would become the basis for developing new strategic plans.

The performance measurement rankings, or benchmarks, would be initially similar to those in the example described above, but they could be more complex. They would be collected from the foundations, stored in a secure database, summarized and distributed back to the participants.

The participant reports would indicate how each participating foundation ranked with its peers in respect of each performance criterion. Comparative performance reports (similar to the examples) would be provided for the industry as a whole and, given sufficient participation to ensure confidentiality, sector by sector. The sectors might reflect size of asset base, area of interest, location, type of foundation, or any combination. Participants would be told which foundations were included in the performance indices for their own sector but not, of course, given the confidential results of other individual foundations. Eventually, the database would be capable of being queried so that a participant would be able to query any sector dataset in which it was interested.

Multi-level Evaluation

One of ProGrid's unique features is its ability to perform multi-level performance evaluation using a "cascading matrices" technique. Using the same principles as the single matrix, each performance criterion in the main matrix is supported by a second matrix which may contain up to twelve sub-criteria. This increases the number of performance measures from twelve to 144.

The technique is currently being used to assess the performance of a complete Ministry (department) in a Canadian provincial government and to assess the effectiveness of corporate governance in the wake of the Enron scandal. A group of major international corporations are currently participating in the world's first global benchmarking of their Intellectual Property Management capabilities using ProGrid's performance assessment methodology.

Choosing Grantees

ProGrid Language Ladder performance assessment methodology was originally developed to assess technology research and development proposals for government funding. It is used in several industry sectors for proposal solicitation, evaluation, ranking, approval and funding for some $2 billion in science and technology investments every year.

What has this in common with the selection of grantees by charitable foundations? Simply that, in both environments, the performance criteria on which the investment decisions must be made are essentially intangible and difficult to measure explicitly by traditional means.

ProGrid was designed to measure these intangibles explicitly, whatever their context. It will evaluate and rank the quality of an applicant's intangible performance criteria (accountability, stewardship, alignment with foundation objectives, leverage, program Impact and so on) in an objective, disciplined, explicit *and transparent* manner. It will then generate comparative rankings of proponent applications, based on their ability to match the foundation's specific performance requirements.

"Non-profit organizations spend a great deal of energy guessing at funders' preferences, anticipating funders' concerns and trying to accommodate funders' expectations"[13]. This was precisely the situation in the science and technology grant making sector before ProGrid. But it is not so now. ProGrid 's solicitation process ensures that applicants know *exactly* what the funder requires and, on receipt of a funding application, the funder knows exactly how well its requirements and expectations are likely to be met.

The "closed ended", ProGrid proposal format is as essential to the user's solicitation process as it is to the evaluation process[14]. Since the applicants answer explicit questions related to the foundation's performance measures, it gives them no opportunity to stray outside the foundation's requirements. No superfluous material needs to be submitted, the proposals are written in exactly the same order and format, and there are no detail-laden appendices. The proposal writing process is simple and efficient, and extra "credit" cannot be awarded for information not specifically requested by the foundation. The standard format makes evaluation and ranking quicker, easier, more accurate, more objective and more readily defensible than traditional methods.

Once the Board of Trustees has established the selection criteria and approved the Language Ladder statements, the first part of the evaluation process is essentially a mechanical exercise. However, ProGrid's superb reporting capabilities facilitate Trustee oversight at every stage. Because the software takes care of the complex calculations involved, many more intangible criteria, and many more applications, can be handled more quickly, and more accurately, than by

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[11] To ensure rigorously comparative data from applicants, ProGrid uses standard "closed-ended" application forms, containing Language Ladders, instead of the usual "open ended" applicant proposal, so it

[12] Easterling and Csuti, *op. cit.*

[13] Easterling and Csuti. *Op. cit.*

[14] Many foundations use a "closed ended" format for grant applications. Fewer use a sophisticated methodology to evaluate them. Many use numeric ranking systems, which may not stand up to scientific rigor or objective analysis.

traditional assessment approaches. This would have the effect of reducing foundations' administrative costs, as it has already done for the science and technology community.

ProGrid's ability to minimize acrimonious debate and to focus the efforts of the selection panel(s) enables the organization to capitalize on the value and contributions of the busy (often volunteer) Board Members and Trustees whose job it is to approve grants.

Conclusion

ProGrid has a long and successful history in evaluating the performance of programs, projects and organizations in many sectors.

There are three key areas in the management of foundations where ProGrid will provide benefits:

1. ***Measuring the performance of individual foundations;***
2. ***Measuring the comparative performance of groups of foundations; and***
3. ***Selecting the most suitable grantees from grantee proposals***

The methodology has the potential to significantly change the way individual and comparative performance is measured in charitable foundations.

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