

WHEN PROJECTS FLOUNDER

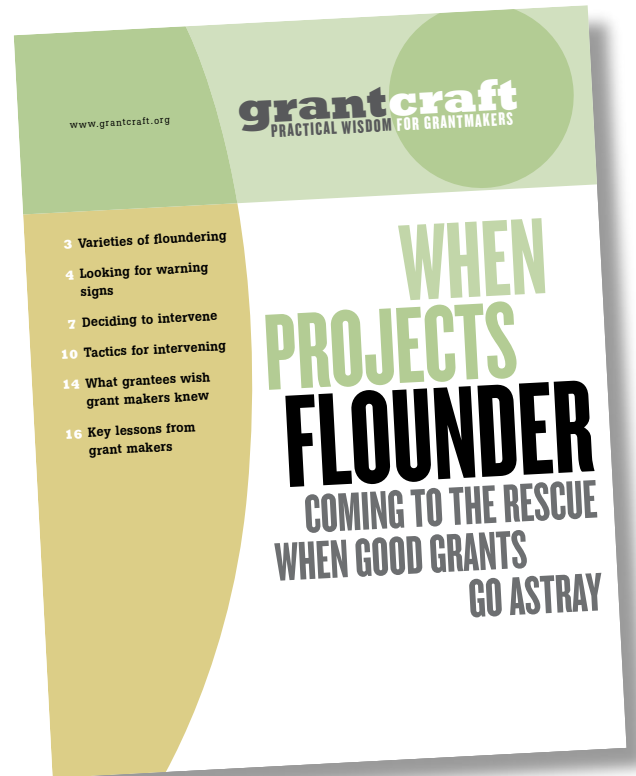
What are the signs that a grant is floundering? When and how should you intervene?

IN THIS GUIDE

Every troubled grant is unique, as is its path to resolution. Grant makers working with programs gone awry can often assist with analysis and correction. Yet grant makers and grantees don't always know how to communicate when troubles arise or what resources can contribute to a practical, mutually satisfying plan of action. Contributors to this guide reflect on reading the warning signs, defining the problem, and developing a mission-centered response.

HIGHLIGHTS

- Distinguishing between ordinary and extraordinary problems
- Six tactics for grant maker interventions
- How to keep it from getting personal
- Three mini-case studies describing common ways projects flounder



“It was at this time that I started to feel completely in shark-filled waters. I started to feel I was caught in a bad dream.”

—Grant maker on realizing that a large grant was in trouble

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A sample from the guide:

IN HINDSIGHT: KEY LESSONS FROM GRANT MAKERS

What did our commentators most commonly wish they could go back and do over? Almost all of them expressed regrets about due diligence — which would have enabled them to steer away from trouble, or to be better prepared for it if they were still committed to the grant.

- **Testing hypotheses.** Faced with a large grant that he knew would be fairly high-risk, one grant maker later regretted not getting enough input from experts outside his foundation. “I should have done much more testing of the hypothesis, and asked many more people how they thought this would work.”
- **Probing for commitment.** In a few cases, programs flagged when they were assigned to junior staff by top leadership of the grantee organization. This turned out not to be a case of delegation, but a marginalizing of the program. “It got handed off to someone for whom it wasn’t really a priority, and they were overworked,” explained one grant maker about how a program of critical importance to her foundation was orphaned by more than one grantee organization.
- **Investigating the company they keep.** One grant maker would have been more alert to strategy conflicts if she had “done more digging into [the grantee’s] institutional partners, their advisors. But I didn’t have the eyes and ears to follow through.”
- **Keeping their enthusiasm in check.** None of the grant makers confessed to being enthralled by charismatic grant seekers, but a couple suspect they got carried away with appealing ideas that deserved harder scrutiny. “He was personally very appealing,” one grant maker said of a later-troubling grant seeker, “yet he was not really charismatic to my way of thinking. Instead, I was swept away by the idea [of web-based services]. I was swept away by the times.”
- **Staying in closer touch.** After recounting a wayward grantee’s transgressions in diverting grant money and not filing reports, one grant maker took some of the blame: “It was poor practice for us. I was really at fault for not going over there [after reports were not forthcoming] and checking into things directly.”
- **Proceeding with caution on business development.** Two troubled grants foundered in part when the grantees wanted to convert their nonprofit programs into proprietary businesses, which called for an assessment not only of how the mission would fare, but of how the business would fare. Grant makers who felt competent to assess nonprofit’s finances felt they got in over their heads when it came to judging market demand, balancing debt and equity, and keeping up with a fast-changing market place.
- **Arranging institutional marriages can be tricky.** Because the funder’s vantage point allows them the distance and perspective from which to see like-minded nonprofits toiling in solitude, they are often eager to press collaboration on grantees. But if they don’t support a period of thoughtful exploration by the potential collaborators, the result can be a contrived and unsustainable partnership that satisfies the grant maker but doesn’t advance important work.