

THE STRATEGY LIFECYCLE

A GUIDE

February 2011

BILL & MELINDA
GATES *foundation*

Table of Contents

Introduction	1
Strategy Development and Refresh Guidelines	7
Strategy Review Guidelines	16
Strategy Distillation Template	25
Annual Plan—Process Overview	28
Insight	30

A NOTE TO EXTERNAL (NON-FOUNDATION) READERS:

The Strategy Lifecycle: A Guide includes the guidelines and templates used by foundation staff to prepare the work that falls within the strategy lifecycle. These documents are current as of February 2011.

While we hope this document provides visibility into the foundation's intentions and practices, it was originally created as an internal document to guide the foundation's work. We share it in the spirit of transparency, so that others may have a window into our approach.

In this public version we have excised some of the more exhaustive business processes and financial tables.

Introduction

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people's health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

PURPOSE OF THE STRATEGY LIFECYCLE AT THE BILL & MELINDA GATES FOUNDATION

At the Bill & Melinda Gates Foundation, we focus on issues that we think are the biggest barriers to people living healthy and productive lives. For example, we aim to address issues like health inequity in Africa, persistent poverty throughout the developing world, or the decline of public education in the United States. Although these problems are wildly disparate, they all share the characteristics of being deeply rooted, dynamic, and complex. None will be solved easily, none will be solved tomorrow, and none will be solved by us alone. To catalyze the fundamental and sustained positive change needed to address these problems—to bring about the kind of change that can give all people the opportunity to live healthy and productive lives—our investments must be highly strategic and focused on impact.

We believe a keystone of catalytic philanthropy is the development of robust and flexible strategies. These are strategies that articulate the causal pathway to impact; outline the investments and programmatic activities aligned with that pathway; measure the results of these investments and activities over time; and can be adjusted based on results, experience, and lessons learned. As this definition of “robust and flexible” suggests, strategy development, execution (meaning the grantmaking and other programmatic work guided by a strategy), measurement, and strategy adjustment are part of a continuous cycle.

To that end, we have adopted a strategy lifecycle at the foundation.

The lifecycle recognizes the magnitude of the problems we are tackling and offers a structure to develop strategy, allocate resources, implement grantmaking, capture and share data on progress, and, on an annual basis, reflect on lessons learned and course-correct as necessary.

THIS DOCUMENT

This document describes in detail how we develop and refine strategy at the foundation, building on the lessons learned since the lifecycle was rolled out in April 2007. It also outlines our annual planning (i.e., budgeting) process. Most immediately, it is a refinement of the “Strategy Lifecycle Overview and Guide” published in July 2008 and reflects the changes and improvements made since that time.

Following this introduction, this document contains the guidelines and templates used by foundation staff to prepare the work that falls within the strategy lifecycle. Where detailed business processes are not relevant for an external audience, we have removed them and included brief overviews.

This document will continue to be updated to reflect current learning and best practice about strategy and planning, as well as to meet evolving organizational needs. As a companion to this document, we have developed the [Actionable Measurement Guidelines](#), which provide guidance to strategy teams about how to measure results.

OUR REFINED STRATEGY LIFECYCLE

The chart below summarizes our strategy lifecycle. It includes the purpose of each component, the depth (or type) of information incorporated, presentation format, and timing.

The remainder of this introduction describes each of the lifecycle’s four components in more detail.

Strategy Lifecycle Overview

	Strategy Development/Refresh	Strategy Review	Annual Plan	Insight
Purpose	An approved strategic direction for a strategy team from the CEO and co-chairs. Approval means authority is delegated to staff to develop a portfolio of grants, contracts, and other events in line with this strategic direction.	An update on strategy execution for the co-chairs and CEO; an opportunity for teams to request actionable feedback on critical issues and for the co-chairs and CEO to ask questions, learn, and be engaged in the work.	An outline of each program and operating team’s spending allocations, priorities, and trade-offs for the coming year.	An interactive web site for staff and leadership that provides a view of grants and portfolios associated with foundation strategies. Longer term, Insight will provide updates on progress to inform ongoing decision making and practice.
Decision meeting?	Yes, co-chairs approve strategies/refreshes, with an associated financial commitment to this strategic direction.	No.	Yes, co-chairs approve annual budget.	No, but data and reports from Insight can be drawn upon at any time, providing a view into the details of strategy, strategy execution, and lessons learned.
Depth of review¹				
Program			✓	
Strategy	✓	✓	✓	✓
Initiative	✓	✓	✓	✓
Sub-initiative	✓	✓		✓
Portfolio		Illustrative		✓
Grant		Illustrative		✓
Sub-grant				Optional
Format	Memo with financial summary	Memo with financial summary	Memo with financial schedules	Online internal portal
Timing	Year-round	January-July	September-December	Year-round

¹ Check marks indicate the type of information included in this process.

Strategy Development and Refresh

The purpose of the strategy development and refresh process is to analyze the spaces we are entering as well as to make analytically rigorous and intentional strategic choices about the foundation's goals in these spaces and how the goals will be achieved. Once a strategy is approved, authority is delegated to program staff to make grants and contracts, and to conduct other activities in line with this strategic direction.

Strategy development is the process by which strategies are created in fields where the foundation has not had a deep prior commitment. Typically, the foundation develops a strategy after a period of learning, exploration, landscape analysis, and possibly some grantmaking.

Closely linked is the strategy refresh process. This process is used when a strategy is re-created in a field in which the foundation already has an approved strategy. In a refresh, the approved strategy is re-examined with the expectation there will be a significant change in strategic direction. The vast majority of the foundation's strategy work today is in the context of a refresh. Strategy development and refresh are identical beyond the initial phase², and for the purposes of this document are considered a single component of the lifecycle.

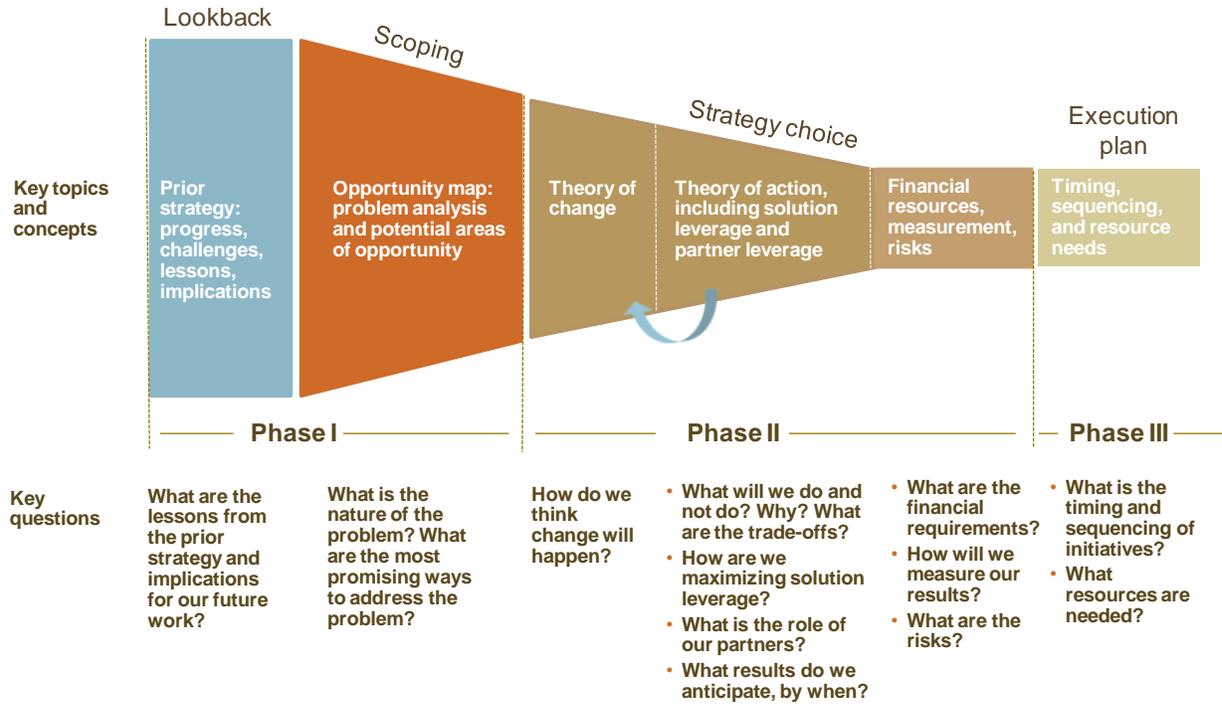
At this point in the foundation's history, the creation of a truly new strategy is rare. In contrast, each approved strategy is refreshed approximately every three to five years.

The strategy development and refresh process has three phases:

1. *Lookback and Scoping*—in which we look back at the prior strategy (in the case of a refresh); clearly articulate and analyze the problem we aim to solve; and explore potential solutions for tackling the problem
2. *Strategy Choice*—in which we describe the causal path to impact, including the major assumptions, the foundation's proposed role, and the anticipated role of our partners; identify risks and financial requirements; and plan for results measurement
3. *Execution Plan*—in which we describe how we will implement against our strategic goals by allocating capital across initiatives and addressing timing, sequencing, and other resource requirements

Iteration is an important principle of the strategy refresh process, and the three phases provide opportunities for interim check-ins with the CEO and co-chairs as the refresh is being developed. The graphic on the next page illustrates that the process guides teams through progressive analyses, from broad to narrow, with some iteration along the way.

² In strategy development, the first phase is an extensive landscape analysis; in a refresh it is a lookback at the prior strategy.



Strategy Review

Even with a rigorous and thoughtful strategy development and refresh process, we know we won't have it all figured out. We will make some big bets that don't pan out and others will exceed our expectations. Often, external circumstances will change and teams will need to make adjustments. We have therefore included the process of strategy review in this lifecycle.

A strategy review is an annual strategy update providing teams with the chance to reflect on progress and propose areas of strategic adjustment. It is also an opportunity for the CEO and co-chairs to learn, engage on strategic issues, and ensure alignment with approved strategic direction and/or provide input on proposed adjustments. In other words, it is *not* a deep re-examination of the strategy, but rather an update on the progress of an approved strategy and a vehicle for course-correction.

On the next page is a list of the foundation's approved strategies as of summer 2010. The list does not include learning initiatives where grantmaking may be taking place outside the context of a formally approved strategy.

Bill & Melinda Gates Foundation Approved Strategies

Global Health Program

- Discovery
- Enteric Diseases and Diarrhea
- Family Planning
- HIV
- Malaria
- Maternal, Newborn, and Child Health
- Neglected and Other Infectious Diseases
- Nutrition
- Pneumonia
- Policy and Advocacy
- Tobacco
- Tuberculosis
- Vaccine Preventable Diseases/Delivery

Global Development Program

- Agricultural Development
- Financial Services for the Poor
- Global Libraries
- Policy and Advocacy
- Water, Sanitation, and Hygiene

United States Program

- College Ready
- Early Learning
- Pacific Northwest—Family Homelessness
- Postsecondary Success
- U.S. Advocacy
- U.S. Libraries

Policy and Government Affairs

- Charitable Sector

Annual Plan

Annual planning is the process by which the CEO and co-chairs review and approve proposed spending levels and priorities for the coming year, including grant and expense budgets. The plan is developed in the fall, with final approval in January. It is a two-step process in which budget targets are first reviewed with the CEO and co-chairs and then, within the confines of those targets, a detailed budget is created. Previously the annual plan included an update on each strategy; however, given the advent of strategy reviews, this is no longer necessary.

Insight

The fourth component of the strategy lifecycle is Insight, an interactive web site that provides data at all levels of the strategy hierarchy (i.e., strategy, initiative, sub-initiative, grant — see definitions on page 6). Key strategy documents and reports published on the site are available to the co-chairs and foundation staff alike. Insight supports the strategy review and refresh processes by allowing teams to provide a more limited and focused set of information in a strategy review, knowing the co-chairs can go to Insight to learn more if desired. Going forward, Insight will include a broader set of supporting information and new ways of viewing data to ensure it can readily inform decision making. Over time, Insight will become the place to go to get the right information at the right time to make data-driven decisions about the foundation's work.

Strategy Distillations

Strategy distillations are short (approximately five-page) strategy overviews that describe the problem the strategy aims to solve, the vision of success, the logic behind the approach the foundation has chosen to achieve this vision, and an update on recent progress. Distillations are a supporting element of the lifecycle. They are a product of the strategy development and refresh process and are updated annually following strategy reviews.

Depth of Review, Co-chair Engagement, and Strategy Hierarchy

The phrase “depth of review” indicates how deep into our strategy hierarchy the co-chairs will engage in order to fulfill their role as strategic decision-makers-in-chief. While the depth of review varies somewhat across the components of the lifecycle, the overarching theme is that the co-chairs focus their attention and decision making at the top of the strategy hierarchy—primarily at the strategy or initiative levels, rather than at the grant level. An emphasis on the strategy- and initiative-level of the hierarchy helps ensure their time and intellect are focused on the most significant strategic questions where their voice and ideas can have the greatest impact. It also empowers strategy teams to pursue the selected strategic direction with an appropriate amount of professional discretion and flexibility.

Strategy Hierarchy

The following terms are the elements of the Strategy Hierarchy. Each term is a sub-component of the one above (e.g., *Initiative* is a sub-component of *Strategy*, which is a sub-component of a *Program*). The exception is *Portfolio*, which can be used to describe clusters or bundles of grants across or within multiple levels of the hierarchy.

<i>Program</i>	One of the primary organizational units of the foundation (i.e., Global Development, Global Health, and the United States Program) responsible for developing and managing grants, contracts, and other activities related to achieving impact.
<i>Strategy</i>	A plan for achieving a goal in a specific area of focus approved by the co-chairs (e.g., Agricultural Development in Global Development, College Ready in the United States Program, HIV in Global Health). This term is also used to refer to that specific area of focus. Strategy teams develop and implement their assigned strategies.
<i>Initiative</i>	A key area of action within a strategy (e.g., College Ready Work in College Ready, Farmer Productivity in Agricultural Development, HIV Vaccines in HIV).
<i>Sub-initiative</i>	A component of an initiative that might include major grants, contracts, convenings, knowledge-sharing, or other activities related to achieving impact (e.g., Extension in Farmer Productivity, Literacy in College Ready Work, and Pre-Clinical in HIV Vaccines).
<i>Grant</i>	A sum of money used to fund a specific project or purpose. The foundation funds work that meets specific grantmaking priorities and supports the foundation’s guiding principles. In keeping with its charter, the foundation does not provide funding to individuals.
<i>Sub-grant</i>	A grant funded through an intermediary organization (the foundation’s grantee).
<i>Portfolio</i>	A cohesive or thematically-linked bundle of grants, contracts, or other strategic work within or across strategies, initiatives, or sub-initiatives. A portfolio may be defined by shared intended outcomes, a geographic focus, or other dimensions with common characteristics meaningful to a strategy.

CONCLUSION

The strategy lifecycle provides a structure for rigorous, thoughtful strategy development and resource planning at the foundation. From the perspective of foundation leadership, the lifecycle is a vehicle for timely, transparent information about how strategy teams are executing against the approved strategic direction, including the progress they are making, challenges they are facing, and how they are adjusting in the face of these challenges. From the perspective of strategy teams, the lifecycle is the established approach to developing, planning for, refining, and monitoring their work, as well as engaging senior leaders on a regular basis.

Strategy Development and Refresh Guidelines

PURPOSE

Before beginning work in a new area of focus for the foundation, we engage in a strategy development process to gain a deep understanding of the problem and opportunity for impact, make clear strategic choices, and define an execution plan. We aim to develop strategies that are robust, focused, bold, can be adjusted based on results, and can guide our grantmaking to achieve maximum impact.

The strategy process has two main purposes. The first relates to governance; it is the process by which the CEO and co-chairs approve strategic direction for strategy teams. Approval means authority is delegated to develop a portfolio of grants, contracts, and activities aligned with this strategic direction. Second, following approval, strategy documents guide strategy implementation and results measurement.

STRATEGY DEVELOPMENT, REFRESH, AND REVIEW—DEFINITIONS AND HYGIENE

At this stage in the foundation's life, few strategies are developed from scratch. The majority of strategy work is in the context of a refresh, in which an approved strategy is re-examined with the expectation there will be a significant change in strategic direction. The difference between strategy development and refresh is that, in the latter, the strategy team begins by "looking back" at the prior strategy.

Development vs. refresh vs. review: Just as strategy *development* should be distinguished from *refresh*, both should be distinguished from strategy *review*. As detailed in the *Strategy Review Guidelines*, a strategy review is an annual strategy update in order for the CEO and co-chairs to learn about strategy execution and progress, engage on strategic questions and opportunities for leverage, and ensure alignment with approved strategic direction. In other words, it is *not* a deep re-examination of the strategy, but rather an update on the progress of an approved strategy.

There is no bright line between refresh and review—it is a continuum. Like refreshes, reviews include some re-examination and adjustment, but to a lesser degree. While it is hoped the guidance provided here will help teams distinguish between the two, professional judgment should be applied as well³. Even when there is agreement that a refresh is called for, some refreshes will involve a more fundamental examination of the work and/or shift from the prior strategy than others. The level of effort for the refresh should be right-sized to the magnitude of the anticipated change.

What triggers a refresh? Three triggers are most common:

- *Time.* If several years have passed since the strategy was developed or refreshed, a team may decide that a deep re-examination is needed. While there is no hard-and-fast rule, if the strategy is approaching five years old, a refresh is often warranted⁴.
- *Need for a significant change in strategic direction, as determined by the strategy team.* Based on new science, policy changes, progress/lack thereof, etc., a strategy team may decide there is need for a significant change in the strategy. A significant change is to be distinguished from smaller, less-strategic adjustments that take place on an ongoing basis.

³ If it is unclear whether a refresh or review is most appropriate, Impact Planning and Improvement is available to work with strategy teams to review the specific situation and provide input.

⁴ This re-examination will lead to a new strategic direction in some, but not all, cases—there may be cases in which the evidence suggests a continuation of the same basic approach.

- *Need for a significant re-examination of the strategy, as determined by the CEO or co-chairs.* The CEO and co-chairs may call for a refresh based on fundamental questions about the approach, new information, changes in the landscape, or other factors.

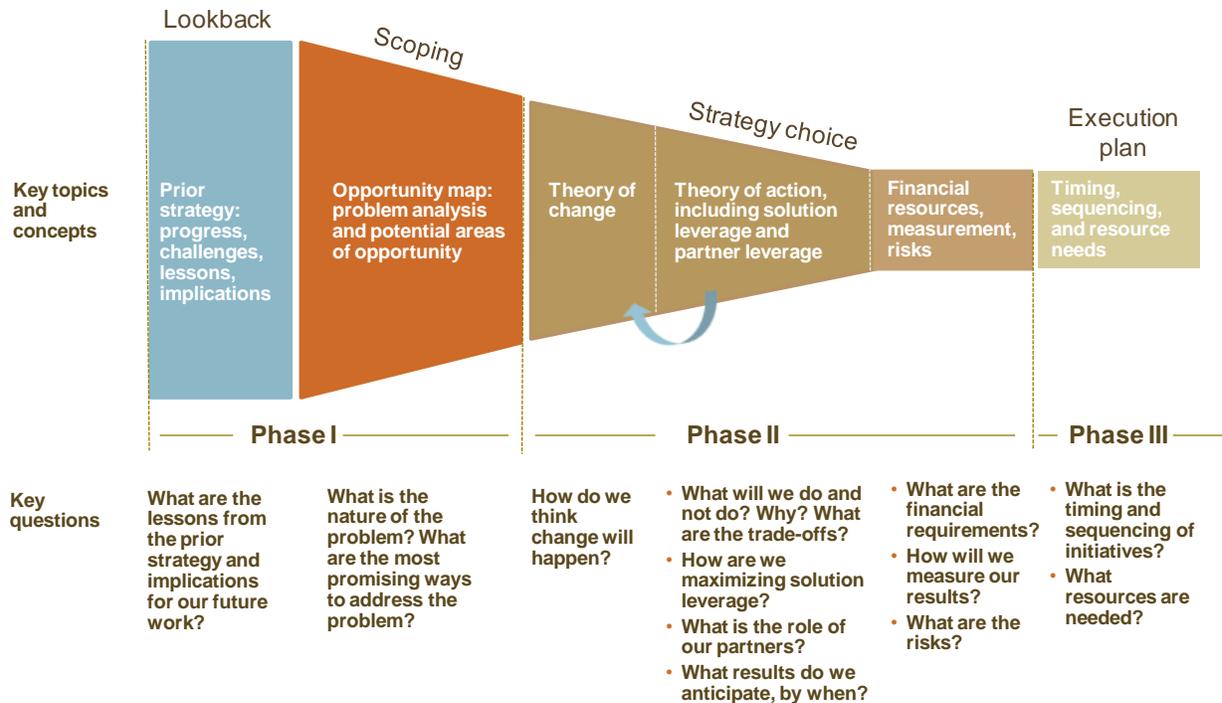
Who decides if a refresh is needed? While the CEO and co-chairs can request a refresh, more often, the Program Director, after a consultation with the Program President, makes this decision.

SUMMARY OF THE STRATEGY DEVELOPMENT AND REFRESH PROCESS

The strategy development and refresh process has three phases:

1. *Lookback and Scoping*⁵—in which we look back at the prior strategy (in the case of a refresh); clearly articulate and analyze the problem we aim to solve; and explore potential solutions for tackling the problem
2. *Strategy Choice*—in which we describe the causal path to impact, including the major assumptions, the foundation’s proposed role, and the anticipated role of our partners; identify risks and financial requirements; and plan for results measurement
3. *Execution Plan*—in which we describe how we will implement against our strategic goals by allocating capital across initiatives and addressing timing, sequencing, and other resource requirements

Iteration is an important principle of the strategy refresh process, and the three phases provide opportunities for interim check-ins with the CEO as the refresh is being developed. The graphic below illustrates that the process guides teams through progressive analyses, from broad to narrow, with some iteration along the way (e.g., between the theory of change and action).



⁵ The term “scoping” is used because it suggests teams will scope—i.e., analyze, define the boundaries of, and/or explore—the problem and the range of potential solutions to be considered.

While more than one meeting with the CEO is recommended over the course of a refresh, at least one meeting with the CEO is required prior to a co-chair meeting in which the refresh is discussed. The co-chairs have final approval of refreshes, although in some instances, with the CEO's endorsement, approval may take place via email rather than an in-person approval meeting. While, ideally, iteration would take place between phases, given scheduling and other factors, teams may need to meet with senior leaders in the middle, rather than at the end, of a phase.

As a final note, teams are encouraged to provide a few (one to three) articles or other reading materials to the CEO to help him learn and/or stay informed about the relevant subject area. Ideally, these would be provided early in the process to allow plenty of time for review.

INTRODUCTION TO GUIDING QUESTIONS

The following questions are provided to help guide the refresh process. While they are recommended, *teams may need to deviate from them in order to fit the team's unique situation and/or address CEO/co-chair questions or areas of interest*. All questions cannot, and should not, be addressed with equal emphasis. The burden is on the team to communicate clearly and succinctly, and adjust the emphasis so the main points of the strategy can be understood⁶. *Note that the lookback applies to the refresh only*. All other questions should be considered part of both development and refresh. Throughout, please articulate major assumptions and provide the rationale and evidence for conclusions.

Strategy Development/Refresh Questions

Lookback and Scoping: The purpose of the lookback (in the case of a refresh) is to examine and articulate the results of the prior strategy, including accomplishments, disappointments, lessons learned, and implications for the future. The purpose of scoping is to clearly articulate and analyze the problem they aim to solve and explore potential solutions in tackling the problem (taking into consideration external learnings and outside voices); and determine, on a high level, how and where to focus our work going forward. The purpose of scoping solutions at this point in the process is to gauge leadership interest prior to entering the Strategy Choice phase.

- A. Lookback on prior strategy: progress, challenges, and lessons learned
 - 1. Outline the prior strategy on the highest level (e.g., the target problem, major assumptions, initiatives, anticipated results, role of significant partners, financial investments, etc.).
 - 2. What was accomplished relative to anticipated results?
 - a. Quantitatively: outputs and outcomes
 - b. Qualitatively: examples and context
 - c. What was not accomplished? Why? What were the major challenges or obstacles?
 - 3. What have been the unanticipated consequences of our work, positive and negative?
 - 4. What are the lessons learned from the prior strategy and implications for our future work?

⁶ While the questions should be considered guidelines, it is expected that each major topic (e.g., opportunity map, theory of change and action, risks, etc.) will be addressed by virtually all strategy teams.

- B. Opportunity Map: analysis of the problem and potential solutions⁷ to determine how we will focus our work, help us make choices, and define the potential for impact
1. Scope and analyze the current problem⁸.
 - a. What groups, stakeholders, or segments⁹ (e.g., populations, institutions, systems such as housing, etc.) are burdened by this issue? Outline size and scope; break down the problem into its component parts.
 - b. What are the consequences of the problem (e.g., deaths, DALYs, lack of living wage)?
 - c. What is the context in which the problem exists (e.g., geography, governance, financing, political/public will, etc.)?
 - d. Why does the problem exist? What are the barriers/factors contributing to the problem?
 2. Scope and analyze potential solutions.
 - a. Where does strategic leverage exist to address the problem?
 - b. Where is *our* leverage (i.e., our greatest potential for influence and impact)?
 - c. Of those burdened by the problem, which populations, stakeholders, or segments do we anticipate targeting? Why?
 - d. Which solutions appear most compelling? Which don't? Why? What are the trade-offs?
 - e. What is the potential impact of our work?
- C. External learnings and outside voices
1. Of the evidence, knowledge, and/or feedback from the field considered by the team (e.g., feedback from experts, partners, practitioners, grantees, etc.), what was most salient? How has it influenced our choices?

Strategy Choice: The purpose of this section is to describe our Theory of Change, the foundation's proposed role, the role of partners, anticipated results, key questions for results measurement, financial requirements, and risks.

- A. Theory of Change: a set of assumptions about how change can be triggered/produced to address problems or issues that affect individuals, groups, and/or systems; typically, a theory of change defines the problem to be solved, the targets for change, the strategic levers required to solve the problem, and the expected results
1. *Problem:* specific problem to be addressed.
 2. *Impact:* ultimate sustainable changes, sometimes attributable to action.
 3. *Outcomes:* intermediate observable and measurable changes that may serve as steps toward impact for a population community, country, or other category of beneficiary.
 4. *Levers:* major components or elements that lead to the defined outcomes; levers relate to all key actors/actions in the system (not just us).
 5. *Timing:* when we expect outcomes and impact can be achieved.

⁷ An Opportunity Map is not a physical map, but rather a series of analyses leading to an understanding of the problem and potential ways to address it (these "potential ways" can be called solutions, areas of intervention, or areas of opportunity). The potential solutions are intended to be fairly high-level to allow the CEO and/or other senior leaders to provide feedback before the team dives deeper in the next phase. See also the definition of *opportunity map* in the glossary at the end of this section.

⁸ "Current problem:" What we aim to address (solve) via the strategy. This may be different from the problem tackled in the prior strategy, given a new focus, changes in the landscape, etc.

⁹ A market segment, in business terms, is a group of people or organizations sharing one or more common characteristics that cause them to have similar product and/or service needs. Here, "segment" is intended to be used more broadly to indicate relevant sub-sets of a larger group that share common characteristics regarding the ways in which they are burdened by a particular problem and/or how they might respond to potential solutions.

- B. Theory of Action: a set of specific actions the foundation or a grantee will take to address a problem and achieve results
1. What specific population/geography/segment will we target?
 2. What are our proposed initiatives/interventions for these target segments?
 3. What is the rationale for our choices and trade-offs (i.e., why does targeting these segments/groups with these interventions present the greatest opportunity for impact, relative to other options considered)?
 4. What initiatives have we decided *not* to pursue? Why?
 5. What short- and long-term results do we anticipate from our actions?
 6. How are these initiatives integrated with each other and other foundation work (if relevant)?
 7. *Solution leverage*: an analysis or description of how, and the extent to which, our solutions (e.g., proposed actions or interventions) can be leveraged to increase overall impact and/or generate disproportionate impact relative to the cost based on replication, diffusion, catalysis, etc.
 - a. What choices were made to increase solution leverage, if any?
 - b. What are the means by which this additional impact can be achieved?
 - c. What results are anticipated? Describe the basis for estimates and key assumptions.
 8. *Partner leverage*: an analysis or description of how, and the extent to which, our work can be leveraged (i.e., built-upon, extended) with or by partners/others to increase overall impact.
 - a. Which partners are most significant, and what is their role?
 - b. How is our work synergistic with theirs?
 - c. If there are areas of conflict, what are they, and what are the implications?
 9. To what extent, how, and why do we expect anticipated results to be sustained over time? How and when do we intend to exit the space, if at all?
- C. Summary of financial resources (see also Execution Plan section)
1. What financial resources must we spend to implement our Theory of Action?
 2. How will our investments leverage the financial resources of others, if at all?
 3. What are the major assumptions that drive our financial projections?
- D. Actionable Measurement
1. What decisions will we need to make over time in order to implement the strategy?
 2. What questions must we answer in order to inform ongoing adaptation of our strategy?
 3. What specific measures might we use? See the [Actionable Measurement Guidelines](#) for more details.
- E. Risks
1. What are key implementation risks, contextual risks, and knowledge risks?
 2. What are potential unintended consequences?
 3. How will we mitigate and, if needed, address these risks?

Execution Plan: The purpose of this section is to describe how we will implement against our strategic goals, including capital allocation by initiative (and sub-initiative, if needed), timing, sequencing, and other resource needs.

- A. Proposed investment in the context of program resources
 1. How does the proposed investment fit into the program's overall resource plan?
 2. Does this force any trade-off decisions, and, if so, what are they?

- B. Size and sequence of initiatives (and sub-initiatives, as needed) by year
 1. How will the strategy's capital be allocated across initiatives by funding type (i.e., grants, Direct Charitable Expense (DCE) contracts, professional services) and by year?
 2. What is the rationale for this timing, sequencing, and allocation?
 3. What dependencies exist that could affect the sequencing?
 4. How will grantmaking flexibility be maintained to allow for learning and adjustment?

- C. Skills and resources
 1. What are the skills and resources needed internally (in terms of Full Time Equivalent staff, or FTEs) and externally (additional capacity) to execute this strategy?
 - a. What measurement, learning, and evaluation contracts will be needed?
 - b. What additional consulting contracts will be needed? For what purpose?
 - c. Are there any other significant non-grant expenses anticipated?

QUANTITATIVE IMPACT PROJECTIONS IN STRATEGY DEVELOPMENT AND REFRESH

Teams commonly make quantitative impact projections to inform strategy development and refresh. Such projections have many possible uses, including assessing a strategy or initiative's potential impact, determining the size of an investment, and/or comparing the potential effects of different interventions. Impact models are used to generate quantitative impact projections.

Quantitative projections may be generated at various stages in the strategy process. For example, projections can be used to create an opportunity map or to define the specific set of initiatives that make up the theory of action (although non-quantitative factors are likely to be important as well).

Teams should approach the development of these projections with care. Developing reliable quantitative projections requires a substantial investment on the part of the team, good data, partners with strong quantitative expertise, and time to build and interpret the projections. In deciding whether and how to use quantitative projections, it is recommended that teams:

- decide what questions the projections will help answer and/or what decisions they will inform
- assess the extent to which the criteria for developing high-quality projections can be met (criteria are outlined in a separate document and include factors such as data quality)
- balance the resources required against the potential quality of the projections and the importance of the decisions they will inform
- understand the strengths and limitations of the projections, and be mindful of and transparent about these issues when presenting the projections and using them to make strategy decisions

Finally, teams should keep in mind that the *process* of making quantitative projections can be as useful as (or even more useful than) the projections themselves, especially when high-quality data are not available. For example, developing projections requires a close look at available data and underlying assumptions, which can help teams elucidate their thinking and identify opportunities and challenges.

STRATEGY RESOURCES AND FOUR-YEAR OUTLOOK

In the past, funding for an individual strategy was called an award envelope. The envelope represented the amount of funding available to award over the defined strategy years.

Today, the concept of an envelope is no longer used. Instead, the available funding for a strategy is based on the “four-year outlook” forecast established via the annual planning process. When developing and implementing a strategy, teams manage against this multi-year spending target, including planning for and managing future-year flexibility. Furthermore, teams work closely with their program leaders and the foundation’s Financial Planning & Analysis (FP&A) unit to ensure they have a common understanding of the capital available to each strategy over a multi-year period. There is an opportunity to reset this dollar amount each year during the annual planning and budgeting process, subject to the overall budget environment and programmatic capital allocation. For this funding “reset” to occur, the President would propose the change as part of the annual planning process in consultation with the CFO/CEO. The request would be subject to co-chair approval.

EXPECTATIONS FOR DELIVERABLES

It is expected teams will submit a memo and supporting materials for each phase of the strategy development/refresh process to support and inform iteration with the CEO or the CEO and co-chairs. Assuming meetings take place between phases, the following documents would be submitted as pre-reads *two weeks before the meeting* (unless another deadline is agreed upon):

- Lookback and Scoping: 30 page memo (maximum), short (5-7 page) PowerPoint deck to guide the conversation, optional appendix¹⁰
- Strategy Choice: 30 page memo (maximum), short PowerPoint deck, optional appendix
- Execution plan: ~10 page execution plan, including required financial tables

Memos can be significantly shorter than 30 pages (this may be common for smaller strategies), but they should not be longer. Staying within this boundary encourages brevity and clarity and also provides a “digestible” amount of information to be tackled in one meeting. If a meeting with the CEO or co-chairs occurs at a time other than between phases, the memo should include the work accomplished to date (or since the prior meeting) and remain within the 30 page limit.

¹⁰ Inclusion of an appendix is optional and can be used to provide any additional information. The CEO and/or co-chairs commit to reading the memo, and will read the appendix if time permits.

STRATEGY DEFINITIONS

(in order of appearance during strategy development)

Opportunity Map: An analysis of the problem and potential solutions to determine how we will focus our work, help us make choices, and define the potential for impact.

- ? answered:*
- Who (what groups, stakeholders, or segments) is burdened by this issue?
 - What are the consequences?
 - What is the context in which the problem exists?
 - Why does the problem exist—what are the barriers/contributing factors?
 - Where does leverage exist to address the problem?
 - Where is *our* leverage?
 - Of the groups/stakeholders/segments burdened by the problem, which do we anticipate targeting and why?
 - What potential solutions or approaches appear to be the most compelling for us? What don't? Why? What are the trade-offs?
 - What is the potential impact of our work?

clarification: An opportunity map is not necessarily geographic (based on a literal map), nor must it be a unified graphic or image. It can take the form of a narrative answering the key questions in qualitative and quantitative terms.

example: The Maternal and Neonatal Health strategy team analyzed the problem of neonatal mortality and identified potential areas of intervention (i.e., solutions). They also assessed the potential impact of this work. More specifically, they identified the strong linkage between neonatal and maternal health, the high mortality in specific areas of the world, and the relatively small number of conditions—most with known effective interventions—that account for the majority of deaths. Based on this, the team made the case for a focus on a specific set of interventions delivered in a specific pre/post birth time period, in specific geographies. By making some assumptions, they were also able to articulate the potential for impact. They did this analysis prior to developing a theory of change or theory of action.

Theory of Change: A set of assumptions about how change can be triggered/produced to address problems or issues that affect individuals, groups, and/or systems. Typically, a theory of change defines the problem to be solved, the targets for change, the strategic levers required to solve the problem, and the expected results.

? answered: How do we think change will happen?

clarification: While a theory of change is constructed based on existing evidence and knowledge of relationships among the components, it is important to make the underlying assumptions explicit.

similar terms: Sometimes the linked steps that make up the theory of change are referred to as a causal pathway.

Theory of Action: A set of specific actions the foundation or grantee will take to address a problem and achieve results, either because these actions are considered to be particularly catalytic and/or because the foundation or grantee has a comparative advantage to take these actions.

? answered: What is our role in making change happen? Who else has a critical role to play?

clarification: The theory of action should be tied directly to the broader theory of change. Implicit in the theory of action is what the foundation or grantee will *not* do, which requires identifying who we believe will take those actions.

Solution Leverage: An analysis or description of how, and the extent to which, our solutions (e.g., proposed actions or interventions) can be leveraged to increase overall impact and/or generate disproportionate impact relative to the cost based on replication, diffusion, catalysis, etc.

? answered:

- How, and to what extent, can our solutions be leveraged to increase overall impact, or generate disproportionate impact relative to the cost?
- What choices were made to increase solution leverage, if any?
- How can the additional impact be achieved?
- What additional impact is anticipated?

clarification: It is assumed that many strategies will propose interventions that can be leveraged in some way, generating an increase in total impact. In the context of a strategy refresh, solution leverage is typically discussed in the strategy choice phase following, or integrated with, a discussion of the foundation's proposed actions and interventions.

Partner Leverage: An analysis or description of how, and the extent to which, our work can be leveraged (i.e., built-upon, extended) with or by partners/others to increase overall impact. In many cases, what partners do implies what we *won't* do. In this way, partner leverage is part of the theory of action.

? answered:

- How, and to what extent, can our work be leveraged with or by partners and others to increase overall impact (i.e., how can we leverage their work, they leverage our work, or both)?
- Which partners are most significant and what is their role?
- How is our work synergistic with theirs?
- If there are areas of conflict, what are they and what are the implications?

clarification: Although the focus is on partners, a discussion of partner leverage may include other players (e.g., governments, NGOs, businesses) working to address the problem in a way that leverages our work and increases impact.

For additional definitions, see the Foundation-wide Glossary for Strategy and Measurement.

Strategy Review Guidelines

PURPOSE OF STRATEGY REVIEWS

Strategy reviews are an opportunity for program teams to update the co-chairs and CEO on the execution of their strategies (i.e., progress, challenges, lessons, and adjustments) and request actionable feedback on critical issues. Reviews are also an opportunity for the co-chairs and CEO to ask questions, learn, and be engaged in the work. Reviews take place annually as part of a regular cycle of reflection, review, and adjustment of strategy execution. They are a part of the “feedback loops” that use data and experience, combined with reflection and judgment, to inform strategic decisions.

A strategy review is *not* a decision meeting—the co-chairs and CEO provide input rather than approval. Nor is a strategy review intended to be a forum in which the fundamentals of the strategy (e.g., theory of change) are reviewed, adjusted, or affirmed. It is assumed that, except in unusual cases, the strategy itself will remain largely stable between strategy refreshes.

USING THESE GUIDELINES

These guidelines are designed to help program teams prepare for strategy reviews. They are intended for teams presenting progress against an approved strategy (i.e., an update of strategy execution) rather than those proposing a significant change in strategic direction (i.e., a strategy refresh). For teams intending to propose a significant change in strategic direction, please see the Strategy Development and Refresh Guidelines.

Included in this document:

- Overview of changes for 2011
- Best practices from 2010/recommendations for 2011
- Overview of supporting materials
- Email correspondence with the co-chairs
- Strategy review memo—purpose and suggested outline
- Strategy review pre-meeting and talent review
- Strategy review meeting—including PowerPoint template to guide opening remarks

OVERVIEW OF CHANGES FOR 2011

Below is a brief description of the most significant changes to the strategy review process for 2011. Each is described in more detail further in this document (other less significant changes are also described).

Changes include:

1. ***Program Directors or Presidents are invited to email the co-chairs in advance of the review meeting to ask if they have questions.*** Some teams did this in 2010 with good results, and for 2011 this process is open to all teams participating in a co-chair review.

2. **The CEO will hold a pre-meeting and “talent review” a week or so before the strategy review.** The pre-meeting is an opportunity for the Director/Strategic Program Lead (SPL) to present his/her plans for the strategy review meeting, receive feedback on the approach, and discuss the strategy’s critical issues. Pre-meeting attendees are typically the Director, SPL (where applicable), CEO, President, CFO, Chief Human Resources Officer (CHRO), program HR Business Partner (HRBP), and Impact Planning and Improvement (IPI) Senior Strategy Officer. When a strategy assessment is being conducted by IPI, the author of the assessment will also attend. The talent review, held immediately after the pre-meeting, is a chance for the Director, SPL, CEO, President, CHRO, and HRBP to review the capabilities of the strategy team relative to the current and future skill needs. It is also an opportunity to plan for the team’s development and ongoing improvement¹¹.
3. **The CEO will lightly facilitate the review meeting** to help strike a balance between addressing the co-chairs’ questions and raising the team’s critical issues. He will also ensure the meeting has a strong wrap-up, including a summary of take-aways and follow up items.
4. **New page limits for the memo and appendix are in place.** The strategy review memo can be up to 12 pages (from 10). The optional appendix is limited to one page and consists of prioritized links to documents on Insight, with a description of what’s contained in each link. Teams need CEO approval to exceed these limits.
5. **A PowerPoint is required.** A short presentation to frame the Directors’ opening remarks should be submitted along with the strategy review memo two weeks prior to the review meeting. A suggested template to guide development of this presentation is available.
6. **The outline includes three new/updated questions.** Teams are now asked to list external people and grants most critical to achieving the desired impact of the strategy; to describe the strategy’s investment style and discuss any challenges or trade-offs.

The questions about the most important people and grants are intended to help us, as a foundation, focus our time and energy on *who* and *what* matters most for each strategy’s ultimate impact.

“Investment style” refers to the way a team is working to achieve its strategic goals. Teams should use the Managing for Impact (M4I) initiative’s characteristics to describe a strategy’s investment style with respect to the **context** in which a team does its work, **execution choices**, and **grant engagement** models used to manage grants. To the extent it is relevant to the discussion, teams are asked to highlight challenges, shifts, or tradeoffs that they may be considering.

BEST PRACTICES FROM 2010/RECOMMENDATIONS FOR 2011

The following lessons, best practices, and recommendations have been gathered from Program Directors and teams, the CEO, and the co-chairs based on experiences with the 2010 strategy reviews.

¹¹ The CFO and IPI representative(s) will participate in the pre-meeting but not the talent review. Where relevant for Global Health teams, the SPL may serve as the program lead for the pre-meeting, talent review, and strategy review meeting, in partnership with the Program Director.

- **Take advantage of the opportunity to reflect; be self-critical; outline what the team will do differently going forward.** Several teams in 2010 said the most valuable aspect of the strategy review was taking the time to reflect as a team on what has and hasn't worked, and what the team plans to do differently as a result. This honest self-appraisal helps a team achieve a shared view of challenges, opportunities, and necessary adjustments. It also helps the CEO and co-chairs provide useful feedback that builds on the team's lessons. Neither "selling" program success, nor engaging in self-criticism alone (without describing planned adjustments) will lead to as constructive a conversation.
- **Carefully choose and frame the issues presented for CEO and co-chair feedback.** Arguably, the key benefit of a strategy review for program teams, other than the opportunity to reflect, is the feedback they receive from the co-chairs and CEO. Carefully choosing and framing critical issues to highlight will increase the usefulness of this feedback.
- **Use the pre-meeting with the CEO and President to plan for the strategy review.** The pre-meeting with the CEO is the Director's (and/or SPL's) opportunity to share and pressure test his/her intended approach to the meeting. Last year, meetings with the CEO and President helped teams clarify their goals for the meetings, refine their plans/approach, and enlist the CEO and President as supporters to help ensure their goals could be met.
- **Begin the meeting and memo with an overview of strategy execution over the past year, including what's working and what's not.** In 2010 a handful of teams began the memo and review meeting with a brief update on the strategy as a whole that included highlights, lowlights, challenges, lessons, adjustments, and critical issues. Because the co-chairs and CEO found this overview to be useful prior to diving into the initiatives, for 2011 all teams are asked to begin their memos and meetings in this way.
- **When describing the progress of the strategy, be data-driven and describe progress relative to expectations.** A description of progress should be backed by data. Where only anecdotal evidence is available, this should be called out. Also, describing progress alone isn't nearly as useful as progress *relative to expectations*, i.e., a comparison of actual results versus the results that were expected by the present time, consistent with your measurement plan or other measurement activity. Reporting on progress alone begs the question, "Is that good or bad? Is the initiative on-track, or not?" If progress varies from expectations (as it often will), explain why and by how much. This report-out on progress, rooted in data and framed relative to expectations, is part of the feedback the foundation needs to make ongoing strategic adjustments.
- **Discuss the largest areas of investment.** Given space constraints, the team must choose what to emphasize in the memo and review meeting. Investment size is not the only criterion for this decision—some smaller initiatives are strategic and should receive significant attention. But size is an important factor, in part, because areas of greater investment almost by definition carry with them greater risk. Hence, the largest areas of investment should be covered.
- **Write for the smart lay-reader; provide illustrative examples.** Many of those reading the review memo won't be experts in the particular content area. Write using plain language and, where appropriate, offer examples to bring your points to life and make them more memorable.

- **Be concise.** Given the complexity of the implementation work and the page limits, teams must make careful choices about what to/not to include. This is by design. Please view the length limit as an opportunity to discuss the most important elements of the work, guided by the suggested outline and PowerPoint template. Also, Directors are encouraged to keep their opening remarks in the review meeting brief to maximize the time available for discussion.

OVERVIEW OF SUPPORTING MATERIALS

Materials for the strategy review consist of the following:

- Strategy review memo, no more than 12 pages, not including the financial summary. The memo is an overview of strategy execution and progress over the past year (or since the last review), including a financial summary developed in partnership with FP&A. Teams must receive approval from the CEO to exceed the 12-page limit. See “Strategy Review Memo—Purpose and Suggested Outline” below.
- PowerPoint of opening remarks, approximately four or five slides. A brief presentation of the Director’s opening comments that frame the discussion. Teams may modify the template to fit their situation, but submission of a brief PowerPoint is required. See “Strategy Review Meeting—including PowerPoint Template to Guide Opening Remarks” below.
- One page appendix—optional. Teams may include a one page appendix with links to additional background information on Insight. The lists of most important external people and grants should either be linked in the appendix or added to the strategy review narrative. Those providing an appendix are asked to prioritize the supplementary information for the benefit of readers with limited time. The CEO must approve appendices exceeding the page limit. See “Strategy Review Memo—Purpose and Suggested Outline” below.

A pre-read for the talent review (which takes place immediately following the strategy review pre-meeting) is also required. See “Strategy Review Pre-Meeting and Talent Review” below.

EMAIL CORRESPONDENCE WITH THE CO-CHAIRS

New this year, Program Directors or Presidents are invited to email the co-chairs prior to a strategy review to ask if they have questions. Last year a few teams (e.g., EDD, Pneumonia) did this with good results.

The specific timing of the email is up to the team. Some teams found reaching out four or five weeks in advance of the meeting allowed them to understand the co-chairs key questions before finalizing the memo. Other teams reached out after their materials had been submitted to the co-chairs. Please keep in mind that in some cases the co-chairs won’t have questions prior to reviewing the materials or attending the meeting.

A caution: while answering co-chair questions is of course very important, focusing exclusively or even primarily on their questions is not recommended. The team is responsible for providing an update that brings key issues to light, whether or not they are top of mind for the co-chairs.

STRATEGY REVIEW MEMO—PURPOSE AND SUGGESTED OUTLINE

A strategy review memo is intended to provide an overview of the progress, challenges, and lessons from the prior year. It should also be forward-looking—articulating the implications for strategy execution going forward, and raising key issues for discussion. Although fairly comprehensive, it cannot be exhaustive given the page limit. Teams must use their judgment about what to emphasize. Teams are asked *not* to restate the fundamentals of the strategy (e.g., theory of change) as this information is available elsewhere, but rather to focus on strategy *execution*—i.e.,

- actions taken to achieve the desired outcomes
- the results of these actions (progress, challenges, lessons)
- implications for the work going forward (priorities, course-corrections, issues for discussion)

Suggested outline

The outline below is “suggested” because some teams may choose to re-order, expand upon, or otherwise deviate from it in order to fit a team’s situation and/or address CEO/co-chair questions or areas of interest. Teams may customize the below to provide what they believe is the most appropriate summary of strategy execution and progress for CEO and co-chair review. Teams wishing to exceed the 12-page limit must receive approval from the CEO.

I. **Executive summary:** *Summarize the strategy’s progress, challenges, lessons, areas of adjustment, and issues for co-chair attention and feedback. The summary should be aligned with the team’s opening presentation.*

- Highlights (what has gone well and why—i.e., accelerators of progress)
- Lowlights (what has not gone well and why—i.e., challenges)
- Lessons and adjustments (i.e., course-corrections based on lessons learned)
- Critical issues for co-chair attention and feedback

II. **Initiative description and progress:** *Address the points below for each initiative, varying the amount of information as appropriate given the investment size and significance of the work. In some cases, major (i.e., large, strategically important) sub-initiatives may merit discussion.*

- Briefly describe each initiative, including expected results
- Identify the few most important external relationships and grants to the success of the strategy
 - Who are the five to ten external people (e.g., grantee, NGO, government leaders) who are most critical to achieving the desired impact?
 - Which grants are most critical to achieving the desired impact of the strategy?¹²
- Describe other activities critical to achieving the team’s goals (e.g., convenings, knowledge-sharing, etc.)
- Describe the strategy’s investment style—e.g., the grant Engagement Model, intensity of stakeholder engagement, use of foundation voice, complexity of partner/grantee relationships, etc.
- Describe progress toward expected results; discuss if targets remain relevant and if there is sufficient data to track progress. For more information on measurement terms, see the Foundation-wide Glossary of Strategy and Measurement.
- Describe changes in the landscape that are accelerators or inhibitors of progress
- Outline challenges, lessons learned, and implications for strategy execution and/or direction

¹² This is, in part, a question about prioritization. For example, teams may indicate the ten most important or impactful grants made (or in development), or may list the top 20% of the most critical grants.

III. **The way forward:** *Provide an overview of priorities and plans for the coming year, including discussion of any necessary shifts or course-corrections. The way forward should follow logically from the progress, lessons, etc., presented above.*

- Provide priorities for the coming year, including shifts and/or course-corrections
 - Provide the rationale for any shifts and highlight any trade-offs
 - Discuss the appropriateness of the investment style. Have there been developments that drive the need for a shift? To what extent would a shift accelerate progress toward the strategy's goals? How would such a change affect staffing needs?
 - Do you anticipate significant capital needs across the next four years beyond the foundation's current allocation (e.g., a successful phase II trial leading to the need for phase III funding)?¹³
- Raise issues to discuss with the co-chairs and CEO—i.e., areas in which the team wants to ensure alignment and/or ask for feedback
- Discuss any implications of four-year financial outlook and/or staffing

IV. **Financial summary:** *The financial summary outlined below will be prepared by FP&A prior to each strategy review in partnership with program teams. The summary will be drawn from the annual plan financial materials, with some updated or additional charts. Completed summaries will be submitted with other supporting materials and posted on Insight following each review.*

- Financial overview
 - Context setting with foundation and program four-year projections; payout amounts should drill down from foundation level to program level to strategy level to initiatives breakdown
- Strategy financial summary
 - Financial overview of the strategy to understand alignment of spend by initiative and between grants/contracts
 - Subsequent payments (if applicable)
 - Spend by initiative (includes both committed and proposed)
 - Contracts spend by strategy (if available)
 - FTEs (if available)
 - Four-year outlook to understand flexibility in future years given dollars committed to date
 - Total subsequent payments by year
 - Expected reinvestments in each year
 - Total new grantmaking dollars available by year, assuming a flat budget
 - Payout matrix for Global Health only

V. **Optional one page appendix:** *An optional one page appendix with links to supporting information on Insight Strategy View may be provided by teams. Because the CEO and co-chairs have limited time to review materials, teams including an appendix are asked to present links to key supporting materials, numbered in priority order, with a brief description of the information included in each linked document.*

¹³ This question is most likely to be relevant for GH teams.

STRATEGY REVIEW PRE-MEETING AND TALENT REVIEW

The CEO will hold a pre-meeting and talent review a week prior to the strategy review meeting. Pre-meeting attendees will be the Director, Strategic Program Lead (where applicable)¹⁴, President, CFO, Chief Human Resources Officer (CHRO), program HR Business Partner (HRBP)¹⁵, and IPI Senior Strategy Officer. When a strategy assessment is being conducted by IPI, the author of the assessment will also attend. Although this list of attendees was developed with the intention of keeping the pre-meeting small and relatively informal, a Director may invite more members of his/her team if desired (this is at their discretion). The talent review will include the same attendees minus the CFO and IPI representative(s).

The strategy review pre-meeting is an opportunity for the Program Director and/or SPL to inform the CEO about issues s/he plans to raise with the co-chairs during the review, and to discuss how the CEO, CFO, and President can help the team achieve its goals for the meeting. The pre-meeting is not a “dry-run” but rather an opportunity to plan the review meeting and discuss the strategy’s critical issues.

The talent review will immediately follow the pre-meeting—they are in effect, one 90-minute meeting with slightly different attendees in the first hour vs. last 30 minutes. The purpose of the talent review is for the Director, SPL (where applicable), President, CEO, CHRO, and program HRBP to review the capabilities of the program team relative to current and future skill needs and plan for the team’s development and ongoing improvement.

Pre-meeting agenda

The following agenda is not exhaustive, but represents what should be covered at a minimum. The Program Director is responsible for running the meeting and framing the discussion. No pre-read materials are needed beyond the strategy review memo and opening presentation.

- **Overview of highs and lows.** This is an overview of (in the words of the CEO) “where the strategy is” and “what’s working, what’s not.”
- **Goals for the review meeting.** What the Director hopes to get out of the review meeting.
- **Issues for co-chair feedback.** The critical strategic issues/questions the Program Director plans to raise with the co-chairs (i.e., areas in which the team is requesting feedback).
- **Most important external people and grants to the success of the strategy.** Approximately five minutes should be spent discussing who/what the team thinks are the most high-impact people and grants for the strategy.
- **Role for the CEO and President in the review meeting.** A discussion about the role the CEO and President can play in the review meeting to help the Director and program team achieve their goals. The CEO is prepared to lightly facilitate the review meeting (perhaps in partnership with the President). The pre-meeting is an opportunity to plan this engagement in advance.

If the team has had email correspondence with the co-chairs prior to the pre-meeting, this should be raised in addition to the above agenda.

¹⁴ The list of attendees for the pre-meeting was developed with the intention of keeping the meeting small in order to promote candid discussion. However, the Director is the final decision-maker on who should attend the pre-meeting from his/her strategy team. For some teams in Global Health, the SPL may lead the discussion rather than the Program Director. The role of the SPL vs. the Director in the pre-meeting, talent review, and strategy review should be defined by each team. For simplicity for some GH teams, we use the term “Director” when we mean “Director/SPL.”

¹⁵ The CHRO and HRBP will attend the pre-meeting for continuity with the talent review immediately following. The list of attendees for the talent review is not flexible (except in unusual circumstances), given the more sensitive nature of the conversation.

If the pre-meeting results in any revisions to the pre-read materials, teams should re-submit the documents as quickly as possible—within a day or two—after the pre-meeting.

Talent review agenda

Like the above, the agenda below is not exhaustive but represents what should be covered at a minimum.

1. Overview
2. Structure Review
3. Discussion
 - Critical roles
 - High-potential talent
 - Succession planning
 - Retention risk
4. Actions for discussion

The submission of a pre-read is required. See the Talent Review Template which closely follows this agenda. Pre-reads should be submitted two weeks prior to the strategy review meeting along with the other required materials. Teams may distribute hard copies at the meeting rather than emailing the documents in advance, given the desire to maintain confidentiality and minimize circulation. The CEO does find it helpful to the documents in advance (teams may email the pre-reads directly to him and cc: his Executive Assistant), however, that is optional and at the team's discretion.

STRATEGY REVIEW MEETING—INCLUDING TEMPLATE TO GUIDE OPENING REMARKS

The purpose of the strategy review meeting is for program teams to provide an update on the execution of a strategy, including a description of progress, challenges, lessons, and adjustments they will make or are making going forward, and to raise issues for feedback from the CEO and co-chairs. Another important purpose is for the co-chairs and CEO to ask questions, learn, and provide actionable feedback.

Roles

The Program Director (or SPL where applicable) is responsible for opening the meeting and framing the discussion. The CEO will lightly facilitate to help the Director strike a balance between addressing the co-chairs' questions and raising the team's critical issues. The CEO will also ensure the meeting has a strong wrap-up, meaning that the key take-aways are summarized and the next steps are clearly stated. The review is not a decision meeting and the co-chairs will provide feedback but not formal approval.

Format and Content

While the memo is intended to be fairly comprehensive, in the meeting the Director has the discretion to focus more narrowly on issues of special importance. Directors are encouraged to carefully frame the critical issues they hope to raise with the co-chairs in order to solicit actionable feedback from them. They are also encouraged to decide if they prefer to walk through each initiative systematically or to highlight particular areas of the work, and share this decision with the CEO and President in the pre-meeting.

Directors should open the meeting with a brief PowerPoint presentation that includes four points:

1. Highlights—what has gone well and why (i.e., accelerators of progress)
2. Lowlights—what has not gone well and why (i.e., challenges)
3. Lessons and adjustments—course-corrections based on lessons learned
4. Critical issues for co-chair attention and feedback

See the Strategy Review Slide Template for this presentation, which includes illustrative slides drawn from 2010 strategy reviews. Note that—new this year—a PowerPoint presentation is required and must be submitted at the same time as the memo (i.e., two weeks prior to the review meeting).

Attendance

Typically the following people/roles attend a strategy review:

- The co-chairs and CEO, and their senior staff
- Program President and his/her senior staff
- Senior members of the strategy team
- Key partners from related strategy teams (e.g., Policy and Advocacy)
- Representatives from FP&A and IPI
- Members of the Management Committee

Because smaller meetings are preferred, program teams should bring key team members whose voice will be most helpful for the discussion.

Strategy Distillation Template

INTRODUCTION

This is a template to guide the development and updating of strategy distillations. Strategy distillations are short descriptions of the foundation's strategies intended for internal use. They can be accessed via Insight.

CONTENT AND FORMAT

Strategy distillations should communicate the need-to-know facts about the problem to be solved, the foundation's approach to solving it, and the key decisions and issues essential to understanding the strategy's current status.

There are a few points to remember about what to include in the distillation:

- the document *should not* be a slide deck; while the use of individual slides or charts taken from decks is fine, the document should read more like a briefing note, with quick facts outlined in bullet fashion and short paragraphs that connect the ideas
- wherever possible, use quantitative data and statistics to communicate basic facts, key metrics, and other important details related to the problem, context, or strategy
- use charts, tables, or other visual tools where they help communicate a point in a powerful or easier to understand fashion

The complete document should be no longer than five pages, not including the glossary. Please use Arial 12 point font for titles and Arial 10 point font for all text (the following two pages provide the outline for the team distillations). Please contact the Communications Service Desk for complete details on appropriate use of fonts, colors, branding, etc.

ABOUT THE TEMPLATE

Teams are asked to adhere to the template. Note that the problem statement and vision of success will be easily accessible at the top of the relevant strategy page on Insight. If a team is in the midst of a change in strategic direction, include the information that has been approved by the co-chairs.

BUSINESS PROCESS

The content of the strategy distillations is the responsibility of each strategy team with the respective program director approving the final document. While it is expected that team members will author the document or manage external writers, the Communications department is available to offer assistance at teams' request.

Distillations should be updated whenever there are significant changes to the strategy, strategy execution, or outside environment that render the distillation inaccurate.

In 2011, teams will be asked to update their distillations within a month of their strategy review meeting or, in the case of a refresh, within a month of final approval.

STRATEGY TEAM DISTILLATION REPORT OUTLINE

Background *(up to one page)*

Problem Statement

Describe the problem as it is recognized by the foundation and partners. What are the consequences? Who suffers and why? This section should be as quantitative as possible; describe any macro-level effects such as disease burden, economic vulnerability, low educational attainment, etc.

Basic Facts

Include the short set of statistics or facts one needs to understand the problem; facts should be presented as quick bulleted points in a sidebar. A sidebar can also include definitions of frequently referenced specialized terms. Examples of quick facts: estimates of disease burden expressed as DALYs, deaths, mortality rates, diagnosed cases; proportion of population without access to education or other basic services (e.g., high school graduation, Internet); populations at risk, including regional differences by geography, subpopulations, and/or age patterns.

External Context

What are others doing, or not doing, to address the problem? Where is funding coming from and what are the funding gaps? What makes this a problem we can address?

[The title of the] Foundation Strategy *(up to four pages)*

Vision of Success

What does success look like for this strategy? What is our long-term projected impact and key expected outcomes?

Theory of Change

The theory of change describes the full set of actions required to address the problem as described. This should come from the approved strategy document but it may be necessary to provide additional comment or description. This is a place where a graphic illustration may help make clear the connections between actors, actions, and results.

Key Initiatives

List and briefly describe each of the initiatives within the strategy. Point out connections and complementarity between the initiatives as much as possible. What specific targets are there for each component? How is the foundation's overall approach catalytic?

Key Players and Partners

Who are the few most significant actors in the space? Those listed may include grantees but could also include influential partners, NGOs, co-funders, or government entities. Explain why each player is significant. Describe opportunities for leverage or collaborations.

Progress and Lessons

Briefly describe the results or impact the strategy has had since inception and the most significant progress, lessons learned, or challenges faced. The purpose of the articulation of progress and lessons here is to highlight how they have contributed to a current strategic approach. More detailed progress and lessons will be included in the strategy reviews and on Insight.

Looking Forward—Priorities for the coming year

What are current priorities and/or strategic issues at the time of the distillation?

Glossary

Describe the technical terms that may not be familiar to the lay-reader. *This section does not count against the five-page limit.*

Annual Plan—Process Overview

The foundation employs a two-stage annual plan process that provides several benefits, including:

- soliciting early co-chair approval on top-line levels of grants and expenses to facilitate budget build
- coordinating the budget with the overarching strategy lifecycle

STAGE ONE—ESTABLISH BUDGET TARGETS

Running from mid-September to early October, this process sets grant and expense targets for each strategy (e.g., Financial Services for the Poor, HIV, etc.) and operating department (e.g., HR, IT, etc.) and establishes the basis for the upcoming year's budget. Targets should be based on the existing four-year outlook and are determined by program and operating teams in consultation with the foundation's Financial Planning & Analysis (FP&A) department. The co-chairs then approve the targets.

The deliverables include the following:

- one high-level foundation-wide memo authored by the Chief Financial Officer (CFO) and FP&A which includes additional discussion about the coming year and an updated four-year outlook
- three "Presidents' Memos" (one per program) which describe the allocation of capital across strategies
- one combined memo for all operating teams

Each memo should be three to four pages in length and should include:

I. ***Discussion of capital allocation***

- include one paragraph on each strategy/department, outlining the key drivers of capital allocation for the upcoming year and beyond
- identify any flexibility and reinvestment issues
- discuss the four-year outlook and its drivers
- include the Payout Table (organized by strategy/department, showing payout for this year and next year)

II. ***Discussion of operating expenses***

- describe any trends and business drivers of key expense lines and Programmatic and Administrative (P&A) contracts
 - include an analysis of the top ten vendors over the past two years; to identify the foundation's top vendors and the business contexts that drive their engagement, each program is required to submit a list of its top ten vendors for the previous year and year-to-date for the current year
- include an estimate of Full-Time Equivalent (FTE) annualization and the impact on overall P&A budgets

III. ***Four-year outlook matrix***

STAGE TWO—BUILD DETAILED FOUNDATION BUDGETS

Running from mid-October to mid-December, this process establishes detailed budgets at the initiative level for strategy teams (e.g., HIV's Vaccines initiative, Agricultural Development's Farmer Productivity initiative, etc.) and at the department-level for operating departments (e.g., FP&A, IT, etc.).

Detailed budgets should generally conform to the targets established in Stage One.

The deliverables include the following:

- one financial matrix budget table per program
- individual memos written by every operations team to accompany each budget table; the length should be no more than five pages per memo, with a total of six memos—one each for the Chief Administrative Office; Chief Financial Office; Communications; Human Resources; Legal; and Policy & Government Affairs

The individual operations memos should include:

I. *Overview of the upcoming year's annual plan*

Describe the proposed budget drivers (i.e., the specific activities that will be undertaken in the upcoming year that have a significant impact on that year's budget). This discussion should include specific dollar estimates where possible. Please include a high-level chart showing the changes from the current year, including:

- number of Full-Time Equivalent (FTE) staff
- contracts
 - what major existing and new contract activity drives growth from this year to next year?
 - how do these contracts impact execution?
- capital (applicable only to IT, Workplace Resources, and Security)
 - provide an explanation of the upcoming year's capital requirements and how they relate to major projects

II. *Priorities and objectives for next year*

- describe management priorities for the coming year, including any points of intersection with program areas and/or other operating departments that may inform these priorities
- address how the department has approached spending allocation across the expense types, what trade-offs were made, and how this allocation relates to the priorities
- describe any initiatives to improve the efficiency of Programmatic & Administrative (P&A) resource spending

Insight

The Insight “Strategy View” is an interactive internal (foundation-only) web site that gives users a quick and easy way to navigate the foundation strategy hierarchy (see definitions on page 6), from program, to strategies, down to grants, and all points in between. At all levels, Insight can deliver narrative information, documents (including the strategy lifecycle deliverables), financial reports, and other data.

In 2010 Insight began serving as the primary information delivery tool in support of all strategy reviews. Insight Strategy View supports the strategy review process by allowing teams to provide a more limited and focused set of information for the review, knowing that users can also find additional specific information on Insight as desired.

Insight also provides an easy way for all foundation staff to learn independently about programmatic work outside of their own area.

Beyond the initial purpose of supporting strategy reviews, the foundation plans to expand Insight to allow strategy teams to publish supporting information about their work that is not strictly related to the strategy lifecycle process, such as academic articles, fact sheets, and trip reports. In the near future, Insight will also support other ways to view data and information, such as by grantee or by program officer. In addition, as part of the foundation’s Actionable Measurement effort, Insight will be used to view results of strategies, initiatives, and grants.

The next page contains a screenshot of the Financial Services for the Poor team’s top-level Strategy View page on Insight. Note that some areas have been intentionally blurred out.

insight
Welcome Help

Find:

FINANCIAL SERVICES FOR THE POOR Report data is current as of 7/1/2010 9:30:00 AM

Global Development | Financial Services for the Poor | Choose Initiative: | Choose Sub-Initiative: | Choose Level 5: |

Strategy Distillation Overview

Problem Statement
Everyone needs access to financial tools in order to manage and improve their lives. We have weddings, funerals, unexpected travel to visit an ill parent, or unexpected health issues of our own. Monthly bills need to be paid. Most of us have stable income that we manage with a set of checking, savings, credit card, and [...more](#)

Vision of Success
We see a historic opportunity to use emerging technology, especially mobile phones, to enable small (\$2) banking transactions to happen through local retail banking agents in a way that gets the economics right for all stakeholders: clients, agents, telcos, banks, and governments. During the next several years, this new technology [...more](#)

Strategy Hierarchy Summary

Actions | 1 of 1 | FindNext | 100%

	Awarded Opportunities (#)	Awarded Opportunities (\$)	In-Process/Future Opportunities (#)	In-Process/Future Opportunities (\$)
Global Development	20	\$20,000,000	0	\$0
Financial Services for the Poor	20	\$20,000,000	0	\$0
Opportunities coded to Financial Services for the Poor (see list in report below)	20	\$20,000,000	0	\$0
FSP - Admin	1	\$1,000,000	0	\$0
FSP - Design and Development	10	\$10,000,000	0	\$0
FSP - Financial Systems	10	\$10,000,000	0	\$0
FSP - Product Delivery At Scale	9	\$9,000,000	0	\$0

Financials at Strategy Level

Actions | 1 of 1 | FindNext | 100%

Financial Services for the Poor - Grantmaking Payout from 2008 to 2013

Payout Year: 2008, 2009, 2010, 2011, 2012, 2013

Financial Services for the Poor - Grantmaking Payout and Budget for 2010

	Total	Opportunities coded to Financial Services for the Poor	FSP - Admin	FSP - Design and Development	FSP - Financial Systems	FSP - Product Delivery At Scale
Paid	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0
Unpaid	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0
Potential	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0
Payment Total	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0
Budget	\$10,000,000	\$0	\$0	\$10,000,000	\$0	\$0

Opportunities Coded to this Level

Actions | 1 of 1 | FindNext | 100%

Opportunity ID	Organization Name	Awarded	Opportunity Status	Opportunity Type	Strategy Amount
no opportunities coded to this level					

Strategy Lifecycle Materials at Strategy Level

Type	Name	Document Type
2010-03-31 Co-chair Strategy Review		
	FSP Strategy Review Memo Final 03312010.docx	Pre-Read Material
	FSP Strategy Review Appendix 03312010.pptx	Pre-Read Material
	FSP Strategy Review Discussion Slides Final 03312010.pptx	Presentation
	FSP Strategy Review Meeting Summary Notes 03312010.eml	Meeting Summary Approval
2010 Strategy Distillation		
	FSP Strategy Distillation Jan 2010.docx	Strategy Distillation

Actions

- Add this page to your favorites
- Email a link to this page
- Copy hyperlink to this page

