Rotary Charities of Traverse City:

From Charity to Changemaker

"Ask almost anyone even vaguely familiar with philanthropy what a foundation does, and the answer will likely be 'they give money away.' That's true, but what if instead the go-to answer was: 'They transform communities?'" — *Kris Putnam-Walkerly*

Jessica Conrad with

ROTARY
CHARITIES
Resources for change.

This case study originally appeared in *Stories of Change: How a Systems Change Approach is Transforming a Region* by Jessica Conrad with *Rotary Charities of Traverse City*. *Stories of Change* includes four case studies. Three feature the evolution of multi-stakeholder systems change initiatives in Northwest Lower Michigan working to address youth/young adult homelessness, food insecurity, and barriers to health and health equity. The fourth shares the story of how Rotary Charities, a place-based funder, came to support systems change work.

Stories of Changes offers a unique look at what's possible when many individuals, organizations, and initiatives adopt a shared approach to affecting positive change and align their efforts to address the upstream sources of our toughest community challenges. Full of actionable insights, the case studies are an informative example of purpose-driven collaboration and a source of hope in an unpredictable, fast-changing world.

Acknowledgements

Stories of Change would not have been possible without the contributions of so many who are deeply committed to creating communities where all can thrive, including our storyteller, the dozens of changemakers interviewed for the project, and Rotary Charities' board and staff members, past and present.

Place-based systems change involves many people working across sectors and fields. The stories told here are collective stories of and for the communities from which they have come, and great care has been taken to tell the truest stories possible. Yet with collective stories, there is not one truth, but many. We acknowledge that the stories included here may not represent the whole truth for all involved.

We are deeply grateful for those who have contributed their memories and perspectives to support us in documenting this transformative work and for the skillful storyteller who has woven these threads together to create this narrative tapestry.

About the author

We want to thank storyteller Jessica Conrad for expertly leading this project. Jessica handled each story with care and dedication—careful with its complexity, shared language, and multiple perspectives. Her process embodied values like patience, relationship building and trust, clear communication and roles, and inclusivity, reflecting a deep grounding in systems practice.

For over a decade, Jessica has been working at the frontiers of positive change as a researcher and writer, storyteller, communications strategist, program manager, and curriculum designer. She brings extensive experience designing and delivering strategic initiatives and transformative learning opportunities— including graduate-level courses focused on systems and complexity theory and leadership—in her previous roles at the RE-AMP Network, the Blekinge Institute of Technology, Forum for the Future's School

of Systems Change, and, most recently, the Garfield Foundation. While with the Foundation, Jessica contributed to its collaborative networks portfolio and stewarded a community of practice for grantee partners leading large, multi-stakeholder projects focused on equitable climate change, cancer prevention, community development, and food solutions.

Jessica currently supports purpose-driven people and organizations in a consulting capacity with research and writing, coaching, facilitation, and custom offerings in the realms of leadership, storytelling and communications, organizational learning and development, and program design. You can reach her at hello@jessicaconrad.com.

About Rotary Charities of Traverse City

Rotary Charities of Traverse City is a 501c3 grantmaking public charity. It was founded in 1976 after oil was discovered on property owned by the Traverse City Rotary Club. The organization provides grants, impact investments, and opportunities for connection and learning across a five-county area in Northwest Lower Michigan to contribute to an adaptive and thriving region for everyone.

Learn more about Rotary Charities at:

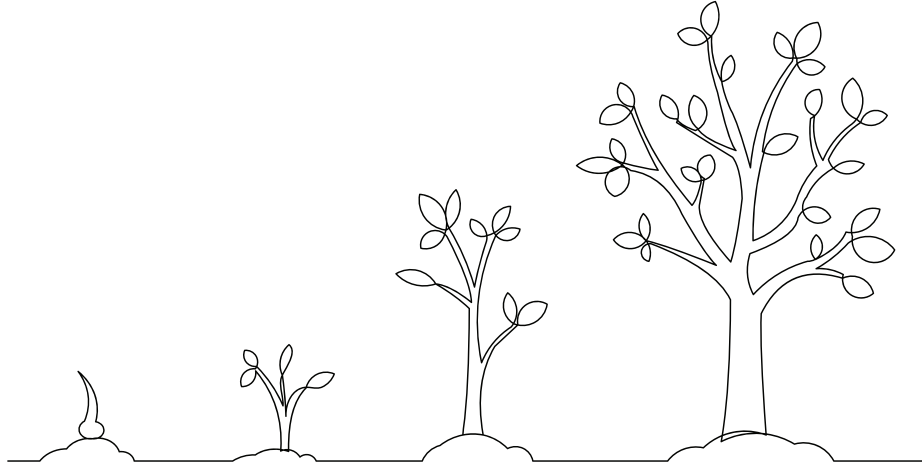Website: www.rotarycharities.org

Facebook: www.facebook.com/rotarycharities

Instagram: www.instagram.com/rotarycharities

LinkedIn: www.linkedin.com/company/rotary-charities-of-traverse-city

Introduction

Driven by a vision of a more adaptive and thriving Northwest Lower Michigan, Rotary Charities of Traverse City is a committed partner to changemakers working to address complex problems and create community assets for all. The organization supports nonprofits, Native nations, local governments, school districts, and collaborative initiatives providing services in Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau Counties with funding and opportunities for connection and learning.

What follows is the story of Rotary Charities' evolution as a place-based funder. It is the story of how the organization's strong desire for greater impact on the region's toughest community challenges inspired a search for promising alternatives to traditional practices—a search that set off a transformation within its culture and grantmaking and ultimately led it to formally adopt a systems change approach.[1] Transparent about the challenges and opportunities that Rotary Charities encountered along the way, this story shares the organization's journey *from charity to changemaker.*

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[1] See the appendix, "Using a Systems Change Approach to Address Complex Community Issues," for a description of a systems change approach.

Rotary Charities' beginnings: the first forty years

Just 15 years after Rotary International's founding, the Rotary Club of Traverse City formed in 1920. True to the Rotary ethos, the Club attracted business people with a spirit of entrepreneurialism and risk-taking, a deep dedication to community, and a commitment to Rotary's "service above self" motto. When oil was discovered in 1976 on property owned by the Club's official land-holding arm, Rotary Camps and Services, the Club formed a 501(c)(3) public charity to distribute oil and gas revenue to community causes through grants.

The charitable organization now known as Rotary Charities of Traverse City began by providing capital grants for brick-and-mortar projects and later expanded to providing grants for nonprofit programs and services. In the 1990s, the organization made its first shift away from operating like a more traditional foundation when it incubated several organizations that remain an important part of the region, such as the Grand Traverse Regional Community Foundation, Homestretch Nonprofit Housing Corporation, and the Grand Traverse Regional Land Conservancy. In the mid-2000s, Rotary Charities began offering grants to strengthen the capacity of nonprofit organizations and created a capacity-building organization, NorthSky Nonprofit Network, to provide consulting, coaching, and workshops focused on organizational development and leadership.

"These decisions were our first break from a more traditional funder mindset," says Marsha Smith, who served as Rotary Charities' executive director from 1996 to 2018. "These were fairly radical roles to take on at the time." Rotary Charities has never been a large funder, typically granting about one to two million dollars annually across a five-county region. "We were always looking for ways to 'fight above our weight class,'" remembers Smith. "We wanted our dollars to work as hard as possible for the region. All of the shifts we've made have been in that spirit."

Not unlike most grantmakers, however, when it came to responding to complex community issues like homelessness or food insecurity, Rotary Charities historically provided support to programs helping the people experiencing the problem to cope with, rise above, or avoid its consequences. "We were focused more on symptoms, as opposed to root causes," says Greg Luyt, Rotary Charities' board chair. "When we identified a problem, we simply wanted to help."

Seeds of change: asking catalytic questions

In the early 2010s, several emerging patterns prompted the Rotary Charities team to question whether or not they and their grantee partners could create greater impact. They created a new learning officer position and became more intentional with their evaluation and learning practices, conducting regular needs assessments of the nonprofit landscape and stepping up their commitment to evaluating their grantmaking and learning opportunities. "We began to see more clearly that our programs and services were benefiting those they reached, and organizations receiving capacity support were getting stronger," recalls Freya Bradford, who at that time held the learning officer role. With positive outcomes at the individual and organizational levels, the question became, what was happening at the community level? Was this progress adding up to more enduring community-level change?

"Not as much as we thought," says Smith. "Our community issues weren't getting better." With the overall rates of complex problems keeping steady or worsening, the Rotary Charities team

wondered if it was a problem of scale. Upon looking more closely at the beneficiaries of funded programs and services, the team discovered a pattern. Beneficiaries largely included the people or environments already experiencing the *consequences* of a given issue. "We realized that we weren't targeting the origins of community issues—the *causes*," reflects Smith. Even if Rotary Charities and its grantee partners were able to reach all of the community members currently experiencing a given set of problems, soon they would be replaced with another group experiencing the same consequences. They asked, *was this the best they could do?*

The team began reflecting on how they might better support their partners, possibly through a new grant category, and how they might use their limited resources to the greatest effect. "The board and staff shared a strong desire to increase our impact," explains Becky Ewing, who served as the organization's executive director from 2018 to 2021. "We wanted to find different ideas that could help us raise the bar, become more impactful, and involve more people," agrees Jeff Hickman, a current board member, who also recently served as board chair. This desire fueled the team's drive to pursue new lines of inquiry that led them to explore a systems change approach—and that eventually became the seeds of transformative change for their grantmaking practices, mindsets, and culture.

Leveraging the trust and strong board-staff working relationships built through their earlier transitions, in 2014, the Rotary Charities team set out again to learn from emerging ideas and trends in philanthropy and changemaking. Early inspiration came from Hildy Gottlieb, founder of Creating the Future, who suggests that a first step in changing the future is changing the questions you ask. A cascade of questions became the scaffolding for the organizational transformation that they would bring about over the next four years through a commitment to ongoing adaptation.

A cascade of catalyzing questions:

- Are we satisfied with the status quo?

- What would greater transformational community impact look like? Have we contributed to it before? What did it look like?

- What conditions enable and/or inhibit transformational change in our region?

- How might we contribute to the conditions that enable transformational change?

- How do we need to change to support transformational change?

Toward learning in community: from seeking the answers to living the questions

Rotary Charities first explored these questions internally through a series of board and staff learning experiences designed with Lucille Chrisman, a long-time partner and adaptive leadership coach.[2] During these sessions, the board and staff engaged in exploratory conversation and experimented with new practices like taking time to reflect, exploring their beliefs and mental models, not jumping to solutions, and getting more comfortable with uncertainty.

Change experts, including David Phillips from FSG, Paul Born from the Tamarack Institute, June Holley from the Network Weaving Institute, and later Michael Goodman and David Peter Stroh of Bridgeway Partners, were invited to work with the Rotary Charities board and staff and to facilitate learning opportunities with their wider community focused on how collaboration and networks can facilitate deeper impact on complex community issues.

Bradford recalls the team's instinct to learn from experts in the field in the hope that they would simply provide the roadmap to achieve deeper

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[2] Available from: https://www.rotarycharities.org/leadership-coaching

community-level change. "We initially approached our desire to level up our impact as if it were a complicated problem with known best practices," she recalls. Rotary Charities soon learned that there are few "best practices" for solving complex problems because they are the result of multiple interconnected causes that are unique to each dynamic context.

While Rotary Charities did not discover the silver bullet for changemaking they hoped for, the team ultimately found something more powerful in the advice they received from researcher, writer, and network practitioner June Holley. The Rotary Charities board and staff had invited Holley to help them develop new strategies for supporting more transformative collaborative work. Upon receiving the invitation, Holley questioned, why not invite the people who are already doing collaborative work to learn *with* you? The suggestion initiated a simple yet profound shift within Rotary Charities' practice. Instead of going it alone, they invited local network leaders, consultants, and their staff team to come together around a table designed as a space to ask questions, probe ideas, and challenge each other's assumptions about how change happens.

The practice of learning in community had begun, and it signaled a deeper, even more significant change for Rotary Charities. "It challenged our belief that we had to have perfectly fleshed out ideas and strategies before sharing them publicly," reflects Bradford. "For the first time, we showed up with emerging ideas, not knowing exactly how the learning would apply or where we were headed with our change in strategy." It marked not just a shift in intention to learn in community, but also a shift from creating something for changemakers to creating something *with* changemakers.
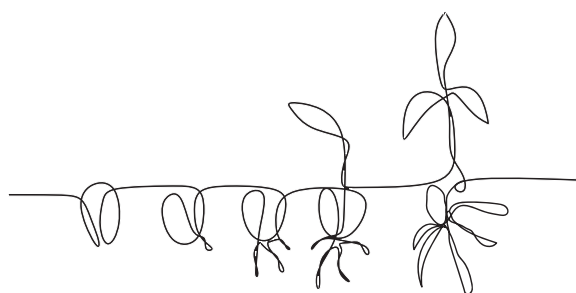
The Rotary Charities team named this new learning space the Network Sandbox and launched a small innovation fund to seed capacity building experiments for collaborative work that grew out of the group. The Sandbox lasted for the next two years, providing many lessons that were instrumental in the coming phases of Rotary Charities' transformation.

"Why not invite the people who are already doing collaborative work to learn with you?"
— June Holley, *Network Weaver, Researcher, and Writer, Network Weaving Institute*

"Through learning with thought leaders and our broader community, we came to believe that together we have enough. Together we can make change. Learning in community is what really unlocks the magic."
— Becky Ewing, *former Executive Director, Rotary Charities of Traverse City*

Internal change for external transformation

At the outset, the Rotary Charities team thought that the exploratory process they had set in motion was simply the beginning of another strategic shift. But the more they learned about transformative change processes, the more they realized that they were in the midst of such a process themselves. Everything they were learning about the work of shifting complex community problems also applied to them as individuals and as an organization. This meant turning inward to reflect on how their own ways of thinking and acting needed to transform—something all funders must be prepared to do in order to fully embrace a systems change approach.[3] "It's obvious to us now, but we didn't see it initially," shares Bradford. Ewing adds, "It doesn't happen quickly, and it's never done. It's deeply personal work that is constantly evolving."

With Chrisman's continued support, the staff and board used individual and group reflection, journaling, and structured conversations to

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3 Kania, John, et al. FSG, 2018, *The Water of Systems Change,* https://www.fsg.org/resource/water_of_systems_change.

consider how they may be unintentionally inhibiting more enduring impact on complex community issues. The team identified some problematic patterns within their strategies, including:

- Some fear of risk, failure, and experimentation

- A lack of clarity about the change Rotary Charities sought

- A focus on supporting single organizations with grants and learning opportunities, as opposed to the collaboration necessary to address large complex problems

- Demand for measurable outcomes within relatively short grant periods

Taken together, these practices contributed to competition, siloing, detrimental power dynamics, the desire for attribution, short-term thinking, lack of transparency among changemakers, and thus an unfavorable environment for the collaborative work of creating lasting change. "It was uncomfortable work. Uncertain, humbling, frustrating, yet hopeful at the same time," acknowledges Bradford. "Once we saw with greater clarity our own role in impeding progress on the issues we sought to address, we couldn't unsee it. It started to feel like there was no turning around on this journey."

At this stage, the Rotary Charities staff and board worked with changemakers to identify internal shifts within their culture and approach that might enable more transformative change, which included living into the following intentions:

- Learn alongside those doing the work, and create bridges to external expertise

- Build relationships based on trust and transparency

- Co-create in partnership with changemakers

- Be facilitative leaders to unlock collective intelligence and creativity

- Cross traditional boundaries to engage not just nonprofit organizations, but also Native nations, units of government, businesses, capacity builders, and other funders in the work

- Be experimental and emergent, and make the path by walking it, finding comfort within uncertainty

- Be open to many possible approaches

- Stay open to failure (their own and others) as a path to valuable learning

- Support changemakers in adapting to the ever-increasing pace of change

- Be patient, and allow time for relationship building, exploration, and learning

- Make space for whole people and honor multiple ways of knowing (including head, heart, body, and spirit)[4]
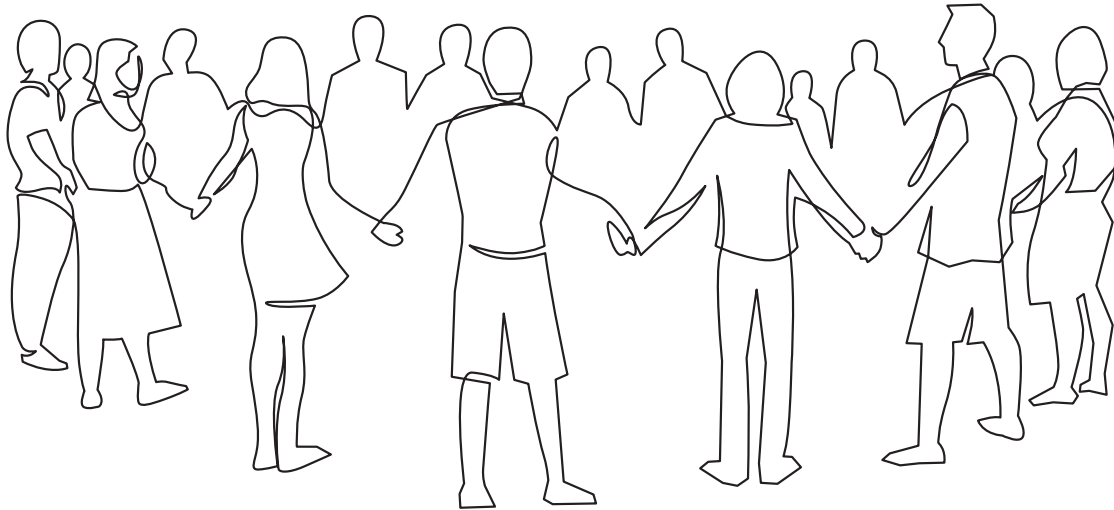
"We've learned to make room for internal adaptations, both in our mindsets and structures. We've also learned not to underestimate how deeply embedded practices can be, and how willing (or not) people might be to change them."

— Sakura Takano, *CEO, Rotary Charities of Traverse City*

"It takes courage to engage the questions: what needs to change, and how might we need to change? We're willing to be vulnerable with each other, and we're learning together."

— Marlene Bevan, *Board Member, Rotary Charities of Traverse City*

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4 Perry, Elissa Sloane, and Aja Couchois. "Multiple Ways of Knowing: Expanding How We Know." Nonprofit Quarterly, 27 April, 2017, https://nonprofitquarterly.org/multiple-ways-knowing-expanding-know.

Making an explicit commitment

In 2016, Rotary Charities faced a critical decision point: would the team commit to a new direction and take on the humbling work of confronting the unknowns it held, both for their strategy and culture? Or would they maintain the status quo with their current grantmaking and capacity building practices?

Bradford recalls how the team's desire "to make a choice, and to make it memorable" was inspired by Stroh's insight that making a choice is "a pivotal stage in the change process."[5] With the tendency to revert back to past ways of working, people need the memory of an explicit decision they can bring to mind when the going gets tough. "This was a critically important moment in our journey," says Ewing.

The decision point came during the third in a series of joint board and staff convenings. Everyone stood together outside on a large deck at a retreat center, waiting with anticipation for direction from Chrisman, who facilitated the session. She described the deck as a continuum, with each end representing a different choice. People were invited to physically move to the location on the continuum

that best reflected the degree to which they agreed with either option—making their responses not just individually "felt," but also visible to the group as a whole. "We literally created muscle memory with our decision," describes Bradford. "And we've returned to it again and again."

Chrisman posed the question: "Should Rotary Charities continue its work as a traditional charity, or commit itself to working systemically as a catalyst for transformative change?" The question landed, and after a brief pause, everyone crowded toward the north end of the deck, unanimous in their strong desire to make a shift. "In that moment," Hickman recalls, "it became clear that we collectively wanted to pursue a more meaningful and impactful approach."

With clarity established, the next question became: "How prepared do you feel to make this shift?" Again, a brief pause before movement revealed a new pattern—and less consensus. The board members shuffled but most remained on the north end of the deck, indicating their readiness for change. The staff, on the other hand, clustered at the south end, showing concern about their readiness for change. Given that they were deep

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5 Stroh, David Peter. Systems *Thinking for Social Change: A Practical Guide to Solving Complex Problems, Avoiding Unintended Consequences, and Achieving Lasting Results,* Chelsea Green Publishing, White RiverJunction, VT, 2015, p. 145.

into learning about what would be required to make the shift with integrity, Ewing acknowledges, "We probably had a greater sense of the radical nature of the work we were about to undertake." Bradford adds, "Committing to a systems approach meant redesigning so much, from how we deployed resources to our partnership with grantees, and from our evaluation practices to our role within the region."

"If you're going to commit to transformative change, you have to jump in with both feet. It's a big shift and requires a lot of learning. There really is no way to do it halfway. It takes a lot of effort, but in my mind, it's worthwhile if you can do it. The path we're on now feels much more inspiring and significantly more rewarding."

— Greg Luyt, *Board Chair, Rotary Charities of Traverse City*

What's needed: working together differently, and working on different things

With an explicit commitment established, in 2017 the Rotary Charities team took several actions that deepened their listening and learning and propelled their transformation.

The Rotary Charities team distributed a survey to changemakers across the region to collect their perspectives on emerging ideas related to transformational change. Over 600 people completed the survey, providing encouraging feedback and helpful insights. Overall, 94% of respondents felt it was urgent or important to work collectively to make progress on the region's most complex problems, while 75% agreed that doing so would require them to work differently, adopting practices like:

- Collaborating with people working on the same issues, people from other sectors, and people affected by the issues at hand

- Taking time to consider the root causes of issues before taking action

- Advocating for policies to improve the region

- Changing their mindsets and ways of relating to others

- Experimenting with new practices

- Learning along the way

Changemakers were asked to share the extent to which they were already using these practices, and their responses revealed room for improvement. Most significantly, few changemakers reported that they were already collaborating with those affected by community problems, or advocating for policies to improve the region. The largest barrier to collaborative work related to funding: a lack of funding for collaborative work itself, a lack of funding for "backbone" support for networks, and turfism or competition between organizations for limited resources.

When invited to share through open-ended responses how they believed funders could better support collaborative action, several ideas rose to the top. Respondents suggested that funders could:

- Incentivize or reward collaboration

- Fund different things, like backbone support for networks, learning and technical assistance, experimentation, or general operations for organizations

- Convene partners around issue areas

- Help people connect to existing initiatives

- Collaborate with other funders

"We need to do a better job of using existing resources and stop reinventing the wheel. I often see collaborative efforts spending time and resources collecting data and developing programs that already exist."
— Anonymous response to the changemaker survey

"We can all approach the same problem from different angles. Collectively, working together, we can make a great impact if we work on mutually reinforcing tasks."
— Anonymous response to the changemaker survey

Later in 2017, Bradford joined a community of practice for funders using systems change approaches hosted by Grantmakers for Effective Organizations. Through a community of practice connection, Rotary Charities met Amy Dean, a consultant from Change Elemental (then Management Assistance Group), and contracted her to help the staff and board further clarify their new direction by creating a theory of change. Dean ran two focus groups with changemakers and regional consultants, conducted interviews with key leaders, and pointed staff to organizations like the Garfield Foundation, McConnell Foundation, and the Bush Foundation for peer interviews.
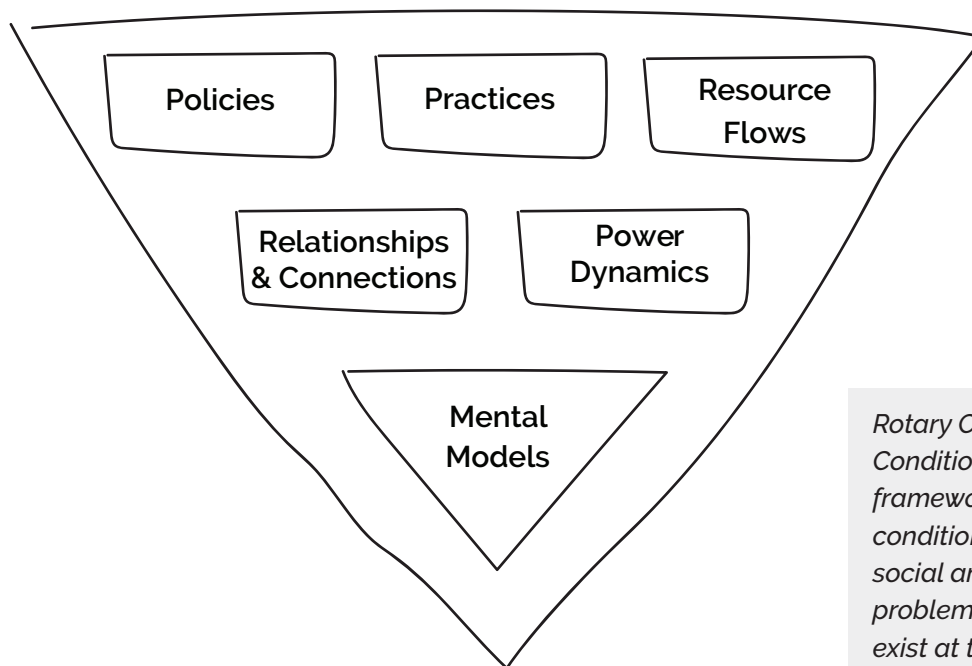
Through these activities, several themes emerged. Rotary Charities learned that solving the issues affecting the region wasn't actually the mission of most organizations, despite the shared desire among changemakers to do so. With most organizations focused on the symptoms of issues, their underlying causes seemed a case of everyone's problem and no one's responsibility. So the Rotary Charities team began asking more pointedly, given what they had learned about different approaches to changemaking, what would it take to put deep and lasting transformation in motion? They found that addressing root causes would require two fundamental changes within their collective work, which could be boiled down into the following:

• **Working together differently** – What was needed were different collaborative practices to support genuine connection among diverse changemakers, mutual learning, innovation, adaptive strategy, and aligned action across sectors and issue areas. Working together in this way would require everyone to be open to examining their assumptions and changing their beliefs, to look beyond surface-level symptoms, to build trust with unlikely partners, to prioritize equity, and to summon their patience for the long-term work of shifting complex systems.

• **Working on different things** – In addition to working together differently, there was a need to shift the community's collective focus to different targets. Most work in the social sector aims to support the people (or environments) experiencing a problem in transcending its consequences. While this focus is vital, as long as we have systems that are not working for everyone, it does not resolve the problem itself. "With fairness in our vision, we're obligated to address equity and justice," asserts Ewing. "We learned that an equity approach calls on us to address the systemic factors holding complex problems in place so those who bear the greatest burdens from these problems have a fair shot to thrive." What was needed was a collective focus on the six interdependent conditions that typically hold problems in place—policies, practices, resource flows, relationships and connections, power dynamics, and mental models—depicted in the framework on page 21.

The Rotary Charities team took advantage of the momentum they gained from the added clarity and launched two more critical experiments. First, they created a temporary Transformation Fund to provide grants to initiatives working collaboratively to target the root causes of complex issues. "It was an intentionally flexible pool of resources for experimentation," describes Sakura Takano, Rotary Charities' current CEO. Staff worked closely with these grantee partners at every step of the process, from application to evaluation, so they could maximize their own learning and be responsive to challenges—an approach they still use today. The Fund provided support for four initiatives and offered valuable lessons for funder-grantee partnerships, including how to both fund and participate in the work, and how to maintain flexibility and support adaptation.

The Six Conditions
of Systems Change Framework[6]

Policies

Practices

Resource Flows

Relationships & Connections

Power Dynamics

Mental Models

Rotary Charities adopted the Six Conditions of Systems Change framework that depicts the conditions that hold complex social and environmental problems in place. The conditions exist at three separate levels of visibility, from the explicit to the implicit: structural, relational, and transformative.

During this time, the Rotary Charities staff also leveraged a free online Systems Practice course offered through Acumen Academy.[7] Again, they used the course as an opportunity to learn alongside those in the community who were also interested in a new approach to changemaking. Nineteen teams from the region have completed the course since 2017, many of which have gone on to receive support from Rotary Charities' new grants and services focused on systems change.

These shared learning opportunities helped establish not only a common language for talking about systems change, but also trusting relationships among changemakers, consultants,

and Rotary Charities staff alike, laying the foundation for a representative team to co-design Rotary Charities new offerings. One participant, Fred Sitkins, who is the executive director of Inland Seas Education Association, reflects, "The collaboration modeled throughout this work has set the example for what's possible when we work together to create a thriving community."

A bold new direction: accelerating systems change

In July 2018, Rotary Charities formalized its commitment to a bold new direction with the launch

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[6] Kania, John, et al. FSG, 2018, *The Water of Systems Change,* https://www.fsg.org/resource/water_of_systems_change.

[7] Available from: https://acumenacademy.org/course/systems-practice

of new grant categories, learning offerings, and communications tools, along with an updated vision, mission, and set of guiding principles for Rotary Charities itself—all of which were informed by the exploratory work that unfolded over the preceding years.

Launching new offerings required the Rotary Charities team to confront the challenge of discontinuing some preexisting grant categories and learning programs, which led to some mixed feelings from the team and changemakers in the community. "I was working for another nonprofit at this time," recalls Takano, "and I remember worrying that the funding and learning I appreciated so much was coming to an end. Yet there was also excitement about support for something new."

To make room for this new direction, the team had to let go of some existing grants and programs. They discontinued grants and services focused on organizational capacity building, rebranded the capacity building previously offered through NorthSky under Rotary Charities' name, and refocused on services that would support organizations in working together more effectively. They retained much of Rotary Charities' legacy grantmaking through a new grant category called Assets for Thriving Communities,[8] designed to support brick-and-mortar projects and programs. They also raised the ceiling of the highly successful grant category called Seed Grants[9] that supports the early stages of project development, and expanded their scope to include support for collaborative initiatives in the early phases of systems change. These grants can now be used to convene diverse stakeholders, for example, or to explore the root causes of complex problems to find new leverage points for change. Finally, the team also launched a new Systems Change Accelerator[10] grant category designed to fund initiatives made

up of at least three organizations taking a systemic approach to addressing any complex community issue. With all of these offerings, Rotary Charities reaffirmed its commitment to being a broad-based funder, open to requests that meet their guiding principles and that can help create adaptive and thriving communities.

Six new guiding principles were developed that now inform everything from how the team selects grant applications for funding to the development of new learning opportunities. Understanding how important these principles are not just for systems change, but also for their organization, the team is currently in the process of incorporating the guiding principles in Rotary Charities' evaluation plan. The principles assert the organization's new theory of change—the belief that advancing inclusive, collaborative, resourceful, reflective, adaptive, and aligned ways of working will increase the likelihood that we can collectively create community assets and systems that allow all to thrive.[11]

To date, Rotary Charities has invested nearly $2.1 million in 20 initiatives taking a collaborative systems change approach to a complex community problem.[12] Grantee partners allocate funding across multiple organizations to support regular convening and learning among partners; conduct assessments, learning, and mapping exercises to find new leverage points within their system; design and implement strategies to change their systems; and improve their learning, communication and storytelling.

In addition to funding, grantee partners are eligible to join the Systems Change Community of Practice, a facilitated space where people engage in peer learning around systems-based approaches with other past and current Systems Change Accelerator grantees. Grantee partners are also eligible to

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[8] Available from: https://www.rotarycharities.org/assets-for-thriving-communities

[9] Available from: https://www.rotarycharities.org/seed-grants

[10] Available from: https://www.rotarycharities.org/systems-change-accelerator

[11] Available from: https://www.rotarycharities.org/about-us/our-work

[12] Available from: https://www.rotarycharities.org/our-grantees

receive 10 hours of Systems Change Coaching[13] at no cost for additional external support from seasoned systems change practitioners. The additional support offered alongside grant funds has been vital. Through the Community of Practice and Systems Change Coaching, initiatives and Rotary Charities staff are actively engaged in building skills, capacities, and mindsets around challenges they surface, including:

· Network convening, leadership, and governance

· Communications and storytelling

· Equity and inclusion

· Evaluation and learning

· Facilitation and working with group dynamics

· Collaborative fund development

· Systems leadership and wellbeing

The Rotary Charities team values these learning opportunities as a chance to deepen their relationships with grantee partners and follow the initiatives' efforts as they unfold.

"It's a rare and beautiful thing for philanthropy to invite changemakers to change their minds about how they see the world and problem-solve. Rotary Charities has embraced this philanthropic mindset by daring to live and breathe systems thinking into problem-solving. It really does take a village, and I'm grateful to be part of this urgent work."

— Liz Kirkwood, *Executive Director, FLOW*

Celebrating early signals of change

Several years after making the explicit commitment to transform from a traditional charity into a catalyst for transformative change, Rotary Charities acknowledges that the path has been (and still is) challenging. "It has required letting go, and, at the same time, being open to what may come. Change includes a grieving process," says Takano. A balance of humility and patience, perseverance and adaptability, and grieving and openness to

new ways of working together has supported their process. Despite the challenge, some have been rewarded with a greater sense of involvement in the work of changemaking. Homer Nye, a longtime board member, reflects, "I feel we're much more involved in actually making a difference in our community."

Thanks to the numerous organizations and individuals who are walking the path with Rotary Charities, today the organization and its wider community are working together differently and working on different things. Their evaluation and learning practices have helped them spot early signals of change within regional systems change initiatives, including:

· Increases in the number and diversity of people and organizations working in collaboration

· Greater alignment around shared purposes, goals, and roles

· Inclusion of diverse perspectives, including those with lived experience

· Improved information and resource flows across systems

· Improved ability among changemakers to connect to and leverage resources from outside their respective systems

· More co-creation and experimentation

· Improved ability to learn and reflect with others in the system

· Mindset shifts among changemakers

Some initiatives are also reporting positive shifts in the complex problems they are addressing across the region, including reductions in the frequency of youth homelessness, sharp increases in the accessibility of healthy food through the emergency food system, and fewer barriers to health and health equity. These shifts, among others, are the result of changemakers' perseverance in creating the conditions for individual, relational, and structural systemic change. Takano suggests that these shifts also "satisfy our human desire for measurable change."

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[13] Available from: https://www.rotarycharities.org/systems-change-coaching

She goes on, "Systems change initiatives across our region are on the path to achieving their goals. Based on the early evidence of the promise of this approach, we invite others to join us in setting the stage for lasting change on our community's toughest issues."

Rotary Charities' new guiding principles include:

- **Inclusive** - *nothing about me without me*
- **Collaborative** - *do what you do best, connect for the rest*
- **Resourceful** - *make the most out of what the community has*
- **Reflective** - *learn from looking out, around, and in*
- **Adaptive** - *take action on what you learn*
- **Aligned** - *see and situate your work in relation to others*

Looking Ahead

Today, Rotary Charities remains committed to adapting along with the communities it serves. The team continues to explore how their guiding principles established in 2018 can strengthen the organization by asking questions about how to become even more inclusive, aligned, and resourceful in their activities. Along these lines, the team is currently re-envisioning how they will invite and integrate more diverse perspectives as they continue evolving their policies and practices. Additionally, they are in the final stages of refreshing their evaluation plan to include new methods for assessing their alignment with the guiding principles. The plan will also support them in incorporating more systemic evaluation practices, such as ripple effects mapping, to accelerate their learning with systems change grantee partners.

Finally, building on their efforts over the last decades, the Rotary Charities team aims to deepen and expand their partnerships with other funders, consultants, and coaches to strengthen the ecosystem of support for changemakers taking a systems change approach in Northwest Lower Michigan. "We are thrilled to see more and more funders interested in this approach to changemaking, along with a growing network of consultants and coaches trained in systems practices," says Takano. "We are always looking for more ways to connect and align with others. It's our practice to 'do what we do best and connect for the rest' so that, together, we can improve the region for everyone."

For more information on this story, please contact Freya Bradford at fbradford@rotarycharities.org.

Contributors

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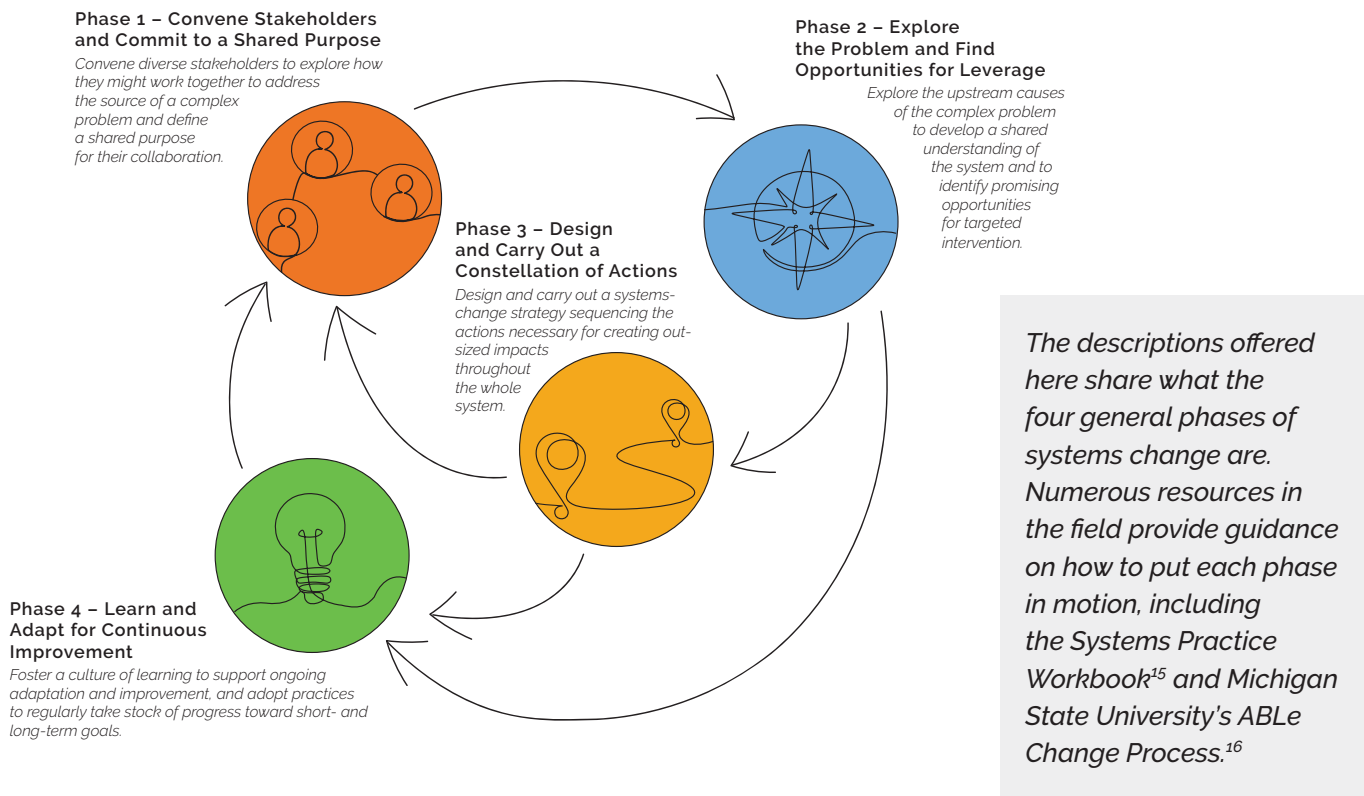**Sakura Takano** – *CEO, Rotary Charities of Traverse City*

Appendix: Using a Systems Change Approach to Address Complex Community Issues

The work of solving problems like youth/young adult homelessness, food insecurity, and barriers to health and health equity is, inherently, a long game, and given the complexity of these challenges, no single organization will be capable of moving the needle on its own. It is essential to harness the collective power of a diverse group of individuals and organizations willing to commit themselves to *working together differently* and to *working on different things* to address the upstream sources of these challenges.

Four phases of development commonly support multi-stakeholder initiatives in transforming the interdependent conditions that hold complex social and environmental problems[14] in place. Taken together, the phases offer one (but certainly not the only) process that supports changemakers in making sense of the issues they seek to address and aligning their efforts to advance long-lasting change. Although they are presented as distinct and sequential, the phases of systems change weave together in practice to support an initiative's continuous improvement and adaptation in response to changing contexts.

Four Phases of Systems Change

Phase 1 – Convene Stakeholders and Commit to a Shared Purpose
Convene diverse stakeholders to explore how they might work together to address the source of a complex problem and define a shared purpose for their collaboration.

Phase 2 – Explore the Problem and Find Opportunities for Leverage
Explore the upstream causes of the complex problem to develop a shared understanding of the system and to identify promising opportunities for targeted intervention.

Phase 3 – Design and Carry Out a Constellation of Actions
Design and carry out a systems-change strategy sequencing the actions necessary for creating out-sized impacts throughout the whole system.

Phase 4 – Learn and Adapt for Continuous Improvement
Foster a culture of learning to support ongoing adaptation and improvement, and adopt practices to regularly take stock of progress toward short- and long-term goals.

The descriptions offered here share what the four general phases of systems change are. Numerous resources in the field provide guidance on how to put each phase in motion, including the Systems Practice Workbook[15] and Michigan State University's ABLe Change Process.[16]

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[14] *Complex problems* are defined by adaptive, interconnected, emergent, and non-linear qualities, which bring important implications for decision-making and strategy.

[15] *Systems Practice Workbook,* 2017, https://oecd-opsi.org/toolkits/systems-practice-workbook

[16] *ABLe Change Process: Tools and Resources for Community Systems Change,* Michigan State University, http://systemexchange.org/application/files/4515/9111/1141/ABLe_Change_Process_for_Community_Systems_Change_Tools_and_Resources.pdf.

Phase 1 - Convene Stakeholders and Commit to a Shared Purpose

Building a foundation for systems change starts by connecting a diverse group of stakeholders to explore how they might work together to address the source of a complex problem. At their best, these groups include people with lived experience of the problem's consequences and people who bring institutional expertise with different approaches for addressing those consequences in different areas of the system at stake. Participants strengthen the foundation of their change effort when they tend to, and ultimately transform, the relationships between and among them to harness the group's collective power.

Defining a clear purpose is crucial for creating coherence across the group as the initiative takes shape; however it is held lightly and adapted with input from new participants in an ongoing process of co-creation, or "collective discovery."[17] Equally important is the task of revisiting and revising the purpose over time as the context surrounding the issue changes.
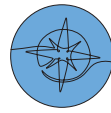
"Transforming a system is really about transforming the relationships between people who make up the system."

— David Ehrlichman, *Impact Networks*

"All of the activities that go into creating a 'we' ultimately build an 'action system' which becomes the foundation for broader social change."

— Cynthia Rayner and François Bonnici, *The Systems Work of Social Change*

Phase 2 - Explore the Problem and Find Opportunities for Leverage

Addressing complex problems requires moving beyond band-aid solutions to explore the upstream sources of the problem that are creating downstream consequences. To locate the sources, the group must first set boundaries for exploring the system at stake. Then they must collect two sets of data, drawing from various sources. The first set focuses on how the problem currently presents itself in their community, exploring questions like: How many people experience it? Who experiences it most severely? What trends might have contributed to it over time? The second set focuses on how the system produces the problem: What policies, practices, and resources are at play? What mindsets are influencing the problem? How are they all connected? The group prioritizes collecting perspectives from individuals with lived experience of the problem while engaging and honoring multiple ways of knowing.[18]

This process helps the group create a shared understanding of the terrain in which they're working, including how they may unintentionally contribute to the conditions that create the need for the proposed initiative. It also helps them identify leverage points or opportunities for targeted intervention that can produce outsized impacts throughout the whole system. Leverage opportunities are typically found within the six conditions of systems change and the interactions between them: policies, practices, resource flows, relationships and connections, power dynamics, and mental models.[19] This phase also sets the stage for the group to agree on visionary goals for the future state they want to create that will drive their collaboration.

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[17] Ehrlichman, David. *Impact Networks: Creating Connection, Sparking Collaboration, and Catalyzing Systemic Change,* Berrett-Koehler Publishers, 2021, p. 105-110.

[18] Perry, Elissa Sloane, and Aja Couchois. "Multiple Ways of Knowing: Expanding How We Know." Nonprofit Quarterly, 27 April, 2017, https://nonprofitquarterly.org/multiple-ways-knowing-expanding-know.

[19] Kania, John, et al. FSG, 2018, *The Water of Systems Change,* https://www.fsg.org/resource/water_of_systems_change.

Phase 3 - Design and Carry Out a Constellation of Actions

At this point, the challenge's breadth and depth become clearer. What's needed is a strategy sequencing the actions required to act on the leverage opportunities and advance the transformative change the group seeks to make. The group undertakes a collaborative planning process to design aligned and mutually reinforcing actions that facilitate learning and adaptation and that are, in some cases, carried out simultaneously.

In a more centralized initiative, actions are usually documented and carried out by smaller teams accountable to the group. In a more decentralized initiative, participants carry out actions in a more emergent way without a written plan or timeline. Initiatives often rely on other forms of shared infrastructure as needed—such as governance and participation agreements, communications platforms, and other resources—to support relationship building, enable information flow, unlock creativity, and strengthen alignment across the initiative toward shared goals.

"Meaningful collaboration both relies on and deepens relationship—the stronger the bond between the people or groups in collaboration, the more possibility you can hold."

— adrienne maree brown, *Emergent Strategy*

Phase 4 - Learn and Adapt for Continuous Improvement

Fostering a culture of learning within a systems change initiative is crucial. Through ritualized activities, participants learn from each other's practices, amplifying what enables the desired change while stopping what inhibits it.
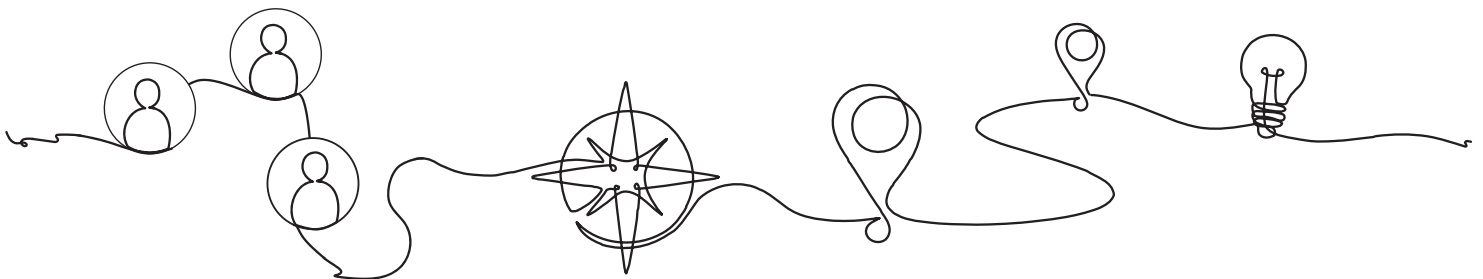
Many initiatives rely on a combination of practices to regularly take stock of progress toward their short- and long-term goals: using inquiry questions for ongoing sensemaking, embedding hypotheses within planned actions to create indicators of change at multiple levels, and capturing signals of change through the use of more traditional evaluation techniques and/or newer principles-based approaches designed to accommodate the characteristics of complex challenges.
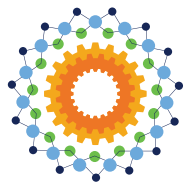
"Strategic learning is even more important once you realize that it is possibly the only outcome in systems change we can control."

— Mark Cabaj, *Tamarack Institute*

"The key lever in a complex system is learning; the key methods are conversation, discovery, and experimentation."

— Jennifer Garvey Berger and Keith Johnston, *Simple Habits for Complex Times*

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