

Champions for Social Good Podcast

Social Impact & Impact Investing: A Conversation with Zecki Dossal, Senior Vice President at Gerson Lehram Group (GLG) Part One

Jamie Serino: Hello, and welcome to the Champions for Social Good Podcast, the podcast for people who are devoted to social impact. I'm Jamie Serino, Director of Marketing for the MicroEdge Division of Blackbaud. I'm here today with Andrew Wolk of Root Cause. Welcome, Andrew.

Andrew Wolk: Thanks for having me, it's really great to be here.

Jamie Serino: Yeah, thanks for joining us today. Andrew, why don't you tell us a little bit about yourself and about Root Cause?

Andrew Wolk: Sure. Well, I'm really excited to be here with MicroEdge. And so first, Root Cause, I founded it back in early 2004 so we're a little bit more than 12 years old, and we are a consulting firm. But our passion really is the use of data and evidence to generate higher performance to improve outcomes, grant-making, and most importantly, people's lives. We believe we are doing that in a way that's really going to accelerate change at a much greater scale. And I founded Root Cause quite a long time ago, both from a personal and a professional perspective.

Andrew Wolk: On the personal side, my grandfather was a councilman back in Pittsburgh for quite a long time. He was a really interesting man. He actually did a lot with philanthropy to build a lot of innovations in the city of Pittsburgh, everything from the Civic Light Opera to the first smog control effort, to the first School of Public Health. And my father was a long time Wall Street executive and, to some degree, myself and Root Cause are trying to work out the angst of those two worlds, the world of sort of public service combined with the world of business and results. And so, I really looked at the social change sector and was asking myself when I founded Root Cause how can we see whether we can get more out of the resources we're spending for change, and that really was the founding vision for Root Cause.

Jamie Serino: Right. Yeah, that's great. And it's really interesting to hear the background there because I think it could take a mind like yours with a background like yours to maybe try to marry those two things. Can you tell us a little bit more about founding Root Cause and what that was like? And what was some of the initial hurdles that you had to overcome?

Andrew Wolk: Yeah, I mean, there were really two sort of really seminal moments early on in my career right before I started Root Cause. The first was I had had a business on my own that I built and sold to move into this type of work. And I was on my way back to business school in the late 90s to get what at that time was hard to get, but a degree in social entrepreneurship. But instead I was marrying at Boston University's Business School a degree in entrepreneurship and a degree in non-profit management. And before I went to school, I volunteered at the Mayor's Voluntary Action Center in New York City under Giuliani. And my job was to talk with people about where they wanted to volunteer their time.

Andrew Wolk: So people would come in and they would say, "I like animals," and I would go to a database and I would print out exactly who it was that was looking for volunteers. And at that time they were getting a line item in the budget and my job was just to see how many people I had seen. And I had just sold a business and it was pretty rigorous to get a business in the kind of shape to sell. And so, I asked my boss if I could find out what happened to the people who had come in and what sort of results there were from the matches we made. And she said, "Sure, do whatever you want." And I found out that only about 3% of the last three months of people that came in had actually begun volunteering their time.

Andrew Wolk: And that didn't even count for that 3% whether they had a good experience, whether they added any value to the organization. And what really opened my eyes up about that was not just that data but the fact that when I went to the person who I was working with, she said that they were being counted by the number of people they saw. And that really opened my eyes up to the real lack of measurement after being put to a real test to get my business in order. So I did enter business school with that story and a little bit of a bravado in front of me of this guy who had started and built and sold a business who had discovered this great new area of work that I could go and share my intelligence with.

Andrew Wolk: And so, my second story that really got me to sort of define the moment of how we try to approach our work was I went and started really offering my services for free, meaning my thinking, to any non-profit leader that was willing to talk to me with a bit of an attitude. And really, most of everyone with the exception of one person basically told me to get the hell out of here because I really was not speaking from a point of mission and purpose, which is really what drives all of us in this work. And so, it was I think those two stories of the first being why Root Cause would be so important to try to bring this more results oriented culture, but with how you had to understand the culture of the sector in order to get people to see why this might be helpful to them. And that really became the founding way in which we really try to pride ourselves in how we partner with organizations, whether they be non-profits, foundation, corporate grant makers and so on in the way we do our work.

Jamie Serino: Okay. Could you tell us a little bit more about how you do partner with organizations and the type of work that you do, and the ways that you help them?

Andrew Wolk: Yeah. I'm gonna talk about some work that we're literally doing right now, 'cause I think it's gonna probably be most relevant to this conversation. We've had a multi-year relationship with the Kellogg Foundation, and that work has been in two parts. And the first part was working with two parts of their element teams, they call them family and economic security, which has to do with how families can seek a living wage and build a level of assets to make stable for their household. It can help the young children in their house thrive. And we also worked with their educational learning area, which is their zero to eight focus of young children. And we helped them build the foundation for a performance measurement system. So we did everything from... The two foundations of it were building theories of action for them around what would the set of strategies that lead to both short, medium and long-term outcomes for some level of an intended impact.

Andrew Wolk: And then along that, we also looked much more closely at their strategies to look at what the existing evidence base that says those strategies actually work. The first part of our work is relatively similar to what other people do, but I think we're quite proud on our methodology. The second part of our work I think is quite unique, and we're seeing more and more of in general, which is to really pay more attention to the evidence out there of what we know. So if someone believes that there's particular strategies that would work with workforce development, like partnering with corporations to do workforce training programs. Well, is there any evidence that says that works? And if there is, can we apply the grant-making in a way that either builds that evidence base or complements it in some way?

Andrew Wolk: That work in of itself has now moved because the family and economics security area was happy with it. As Kellogg is now focused on, which we strongly believe, which is building the capacity of their grantees to be able to evaluate their work much more strongly. So we are now moving into a second phase building off that theory of action and evidence-based work to allow them to use our assessment tool, and then to focus on particular areas to strengthen their capacity around measurement and evaluation. So that's one specific area of work that we're pretty proud of.

Andrew Wolk: The second one I would talk about just briefly is related to Kellogg, but a client of Kellogg's that we're just starting out, which is with a group called Justine Petersen. And in this case, we are the evaluator for them. But the evaluator not in a classic... Maybe you know the terms, sort of random controlled style, but more paying more attention to the early-stage setup of the program so that we can, in a pilot program, really set it up in a way that it can allow us to really learn from it. Justine Petersen through funding from Kellogg is going to be testing out the hypothesis that parents who are returning citizens, meaning coming out of prison or have been

out of prison for a few years, can they build a more sustainable economic base for themselves through either small business development and also access to credit to build up a more strong credit for themselves. And so the notion is whether or not that might be a different strategy than what traditionally has been workforce development, like how to build their skills to get back in the workforce.

Andrew Wolk: But this is a new area. We had actually looked at the evidence base in the first part of Kellogg, and there's not a lot of work that's been done in this area with returning citizens. Certainly micro enterprise and small business development's done with a lot of different populations, but not this one. So we're spending a lot of time with Justine Petersen really trying to set up a program so that we can look at it over the next three years to really make sure that we're looking at what's working and how it might get tweaked. Measurement becomes a critical component to make sure those precious resources are really doing the best they can for this population.

Jamie Serino: Right. Yeah, we're reading a lot more about that approach that you're taking, setting up measurement at the very beginning, taking an evidence-based approach, taking a results-based approach. Can you tell me about the shift that you've seen since founding Root Cause to today in this sector towards this approach?

Andrew Wolk: Yeah. I think that the shift has happened in three sort of stages, I would say. I think stage one started 10 to 12 years ago when I think it was The United Way, but certainly other grant makers started asking their grantees to produce logic models or theories of change to give them a better understanding of what they saw as their money would go towards what results. And so I do think that that began the conversation around measurement. With that said, I don't know that there has been over that time sort of follow-through, and I can talk about that later, but that I think was a first sort of shift in the sector. I think the second shift really came with the recession, because the recession that was back in '09, 2010 really forced everyone in all sectors to ask how they can get more out of less. There was a real question people were asking themselves around, "Am I applying my resources in the best way that I can?" And that just forces one to ask the question around measurement in a way that when you're sort of fat and everything's going okay, there's less of a real necessary reason to do that.

Andrew Wolk: And then I think the third one that has sort of spilled over is I do think there are both within the sector and within government some pretty strong advocates for this. We're only one of many. At the federal level, the Obama administration has taken a very strong leadership role around this, whether it's with Pay for Success, Race to the Top, the Social Innovation Fund. In fact, it was just an evidence-based commission formed out of Congress that just got some appointees on it to continue to talk about evidence-based decision making and resource allocation.

Andrew Wolk: And then I think there are efforts outside of that, like Results for America and America Forward, and groups like that that are really advocating for this. So, you're seeing a much stronger effort outside of government as well that I think is really helping to see this shift happen.

Jamie Serino: This concludes part one of my interview with Andrew Wolk of Root Cause. To learn more about Root Cause, please go to rootcause.org. Follow them on Twitter @rootcause. Please look for part two of my interview with Andrew Wolk, and make sure to subscribe to The Champions For Social Good Podcast so you don't miss an episode. You can keep up with the conversation between episodes by following us on Twitter @jamieserino, @microedgellc, and @blackbaud. Thank you for listening.