Learning from failure

Philanthropy needs to embrace the learning power of failure to maximise its potential for achieving positive change.
Is philanthropy finally ready to embrace intelligent failure?

Owning and learning from failure is a thing most foundations still seem eager to put off. Many of the reasons for this are evident, but three main obstacles prevent them from seeing learning from their failures as a science rather than an art.

If we are not making mistakes, we are not trying hard enough... the refrain goes. While this seems to be a common mantra in business, at least for some companies, it is certainly not true for all of philanthropy, at least not yet. To be fair, there have been several examples of foundations that have been very open about their ‘failures’, such as Hewlett Foundation and Case Foundation, and various field-building attempts in philanthropy and global development at normalising and celebrating failure, but these are mostly one-off, ad-hoc, limited in scope efforts and none of them has managed to make philanthropy, as a field, overcome its aversion to embracing failure. ‘Failure’ is still rarely acknowledged, mostly because it is poorly understood, and importantly, how to learn from it effectively is still viewed by most organisations as more of an art than a science.

There is a need to de-mystify the why, what, how of failure. I see three main challenges that hold philanthropy back from fully embracing learning from failure:

Why care about failure? There is a lack of understanding about why embracing failure is a good thing - in philanthropy and more generally. Failure is widely viewed as a negative, emotionally charged experience that is associated with shame, embarrassment, even ridicule. So, it's...
Because the business of philanthropy is inherently complex, even knowing what constitutes a failure is challenging due to the systemic nature of our work.

What is failure? Because the business of philanthropy is inherently complex, even knowing what constitutes a failure is challenging due to the systemic nature of our work - long-term time horizons, confounding variables, poorly understood causal pathways, and various other factors make the definition of ‘success’ and by extension, ‘failure’, very difficult. So, we often oscillate between holding on to a sense of false precision (adopting rigid key performance indicators and timeframes) or resigning ourselves to the fact that very little can ever be known, measured, understood, or attributed to philanthropy’s efforts. These are of course extremes, but there are many examples in the foundation world of leaning towards these black and white opposites, resulting in a binary and overly simplistic assessment of ‘failure’ vs ‘success’.

How do you learn from it? We often hold on to the bizarre assumption that learning from failure is easy: once the failure is known, learning from it is straightforward – simply don’t repeat the same thing again! What happened and why and how it happened is rarely systematically analysed or dissected, let alone planned for proactively at the outset.
Opportunities for emergent learning are missed. This may have to do with the lack of a culture of learning which is the foundation to everything related to learning intelligently. Concepts such as single, double, triple loop learning – going from observing our behaviours and actions to learn from them (single loop), to questioning our assumptions and underlying root causes (double loop), to examining and challenging our learning frameworks and organisational models (triple loop) – are well established and widely written about in the organisational learning literature but are still the exception and not the norm in most organisations.

Moving from accidental learning to failing intelligently

As an essential step, what is needed in philanthropy is a shift in mindset that fully embeds systematic, intentional, proactive – vs ad-hoc and accidental – learning as part of its culture and even encourages intelligent failure. This requires leadership and commitment and means putting the systems and processes in place to proactively test our hypotheses, articulate our assumptions, continuously collect data, refine methods and work together with our partners and peers to iterate, learn and improve. According to Canadian-based agency Fail Forward (which describes itself as the world's first failure consultancy), ‘intelligent failures are those that arise from thoughtful actions or experiments – what we like to call smart risks – and result in useful learning, allowing us to move forward more wisely.’ They also emphasise that intelligent failure is a learned skill, which is exactly the point. It does not happen by accident. As with any skill, it requires adequate resources and time commitment and institutional support in the form of adequate processes, systems, and structures to embed and institutionalise it as a core competence.

How to do this in practice can take different shapes and forms for each organisation, but the good news is that there is a plethora of useful resources and organisations that offer support, insights, and expertise that we can all make much better use of. We don’t have to reinvent the wheel.

Secondly, learning from failure systematically is commonly practised by some of our own grantee partners. Ironically, many funders support and encourage their grantees to adopt this mindset but are slow to embrace it themselves. This emphasises yet another aspect of the disconnect we often find between how funders and their grantee partners set expectations and hold each other accountable not only for outcomes, but also for learning. How often do you hear a grantee asking the funder: what did you learn, let alone what and how did you learn from a failure? ‘Failures’ are almost never the result of individual players but are rather the result of the interplay of actions, behaviours and attitudes of several actors operating in complex systems, which is why defining ‘success’ and ‘failure’ and engaging in transparent, intentional, evidence-based learning together with our grantee partners can be very powerful.

And, finally, perhaps this sounds very clichéd, but it is worth stating again that bold leadership and a fundamental culture shift are both needed to fully embrace failure. What this means is that thinking

We often oscillate between holding on to a sense of false precision or resigning ourselves to the fact that very little can ever be known, measured, understood, or attributed to philanthropy’s efforts.

Left: The Jacobs Foundation works to help ensure access to quality education. Right: The 85 per cent rule – a ‘sweet spot’ for failure.
about how to learn from it and doing the learning should not be confined to the ‘learning & evaluation’ team or the ‘external evaluators doing our MEL’ – while those teams can create the frameworks and systems that are needed to promote this, it is the responsibility of everyone within the organisation, from programme staff, to management, and the board. Developing our accountability structures to embrace a shift towards learning from failure – to incentivise praiseworthy failure – is yet another important frontier.

What is needed in philanthropy is a shift in mindset that fully embeds systematic, intentional, proactive learning as part of its culture and even encourages intelligent failure.
The pathway to embracing intelligent failure

At Jacobs Foundation, when we launched our Strategy 2030 a year and a half ago, we set out a new strategic path and launched several programmatic initiatives that set a new level of ambition for what the foundation wanted to achieve over the next decade. While this was an exciting development, it also meant that we were starting to explore uncharted territories which we knew would throw up some unknowns we couldn’t yet anticipate. We had to ask ourselves – how can we mitigate the fear of failure without holding ourselves back from taking risks and striving for the ‘moonshots’?

We decided to approach this question head-on by looking at ways to create a more systematic way of learning about what is going well and what is not. The starting point was to learn from good practice in this space – what are our peers doing to learn more effectively? What experiences can we replicate and build on? What internal shifts (related, for instance, to culture, leadership, mindset, resources) would be required to get this institutionalised? This initial exploration led to the decision to onboard a learning and evaluation partner that would accompany the foundation’s work from the start. They would track our efforts and provide us with a real-time pulse-check of what is going well and what needs more attention. The ultimate goal is to be more proactive and systematic about setting learning milestones that detect signals of potential ‘success’ and ‘failure’ early on.

One important realisation so far has been that while there are many conceptual frameworks and useful (though fragmented) resources and tools, there isn’t yet much in the way of consolidated practical experience, evidence-based guidance and proactive sharing of promising practices that foundations can tap into to become more effective learning organisations. This is a further frontier for investment.

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Learning how to learn – becoming learning organisations

I realise that embracing ‘intelligent failure’ is much easier said than done. I know this because the issues I highlight are exactly the questions we grapple with to shift our own foundation to becoming a more effective learning organisation. Simply saying that there is no magic bullet is a major understatement – learning how to learn is the ultimate frontier for many of us.

But as I say this, I am also hugely optimistic that more organisations are taking on this major task and are making very bold steps to fully embrace the learning mindset and promote systematic learning within their organisations, together with their partners and the broader field. I am inspired by the organisations that have opened themselves up and shared their perspectives on failure in this Alliance issue. I hope that we will see many more such discussions out in the open – and I hope that this is the harbinger of a major shift to seeing learning from failure more as a science than an art.

We need to overcome simplistic views about what failure is and get down to the business of systematically understanding what it means to us as organisations, how we will recognise it, and what we will do to avoid it in the future – as a planned, structured, data-driven process promoted by a culture of openness, trust and intellectual rigour. The challenge ahead of us is to see ‘failures’ as stepping stones to ‘success’ and to do it in an inclusive, transparent, and intentional way. We can learn from failure accidentally but learning from failure intelligently can bring a whole new set of opportunities to making a difference in the world.

1 tinyurl.com/edmondson-harvard-review

Left: The Fortalezas programme helped young people into employment in Argentina, Brazil and Colombia.

Right: Resources from Fail Forward, the ‘world’s first failure consultancy’.
A few years ago, the King Baudouin Foundation launched a special internal award, the ‘Best Failure Award’, with the intention of promoting learning skills internally. The first edition was problematic and few volunteers applied. In a similar way to what happens in recruitment interviews when candidates are asked to explain their shortcomings, a series of minor failures were presented: a minor technical failure on the part of a supplier, or a partnership in which one of the partners had not played the game properly. So, as the learning KBF wanted to show was that taking a risk (and logically linked to it, failing) was an obligation in the foundation, the award was given to those who didn’t have failures, which showed that they had not taken risks. The initiative was repeated a second time. The memory of the first edition contributed to an exercise which was richer in experiences. The exercise finally resulted in a shift of mentalities and an openness to sharing setbacks. The prize is now part of KBF’s good practice.

‘The only failure we won’t tolerate is a failure to learn,’ proclaims Barr Foundation president, Jim Canales. He notes that the pursuit of big ideas requires risk and comfort with the idea of failure. In fact, Barr views ‘the presence of failure – either of individual grants or even larger initiatives that do not achieve intended outcomes – as a potential indicator of there having been sufficient ambition and risk-taking in the work.’ As part of its commitment to being honest with itself and with its stakeholders, Barr Foundation produces reports on what it is learning internally, from its grantees and from its approaches.

As a pioneer in learning-from-failure culture, the Hewlett Foundation has instituted an annual internal discussion about failure in which each programme or department shares its experiences of a failed strategy, grant, or project with the entire staff. The foundation’s guiding principles include openness, transparency and learning: ‘Knowing it is necessary to take risks, we recognise and expect that sometimes things won’t work – in which case we ask why and make changes. Our mantra is “try, learn, adapt” – a philosophy we seek to cultivate in our grantees and in the sector generally, as well as in ourselves.’ As part of the practice of this, the foundation makes use of (and takes seriously), grantee and staff perception reports, regular conference calls with all of the foundation’s grantees, organising cross-programme and cross-foundation learning and inviting speakers who disagree with its strategies to speak at convenings.
In 2011, North West Area Foundation (NWAF) commissioned a report, *Gaining Perspective*, which examined honestly – and sometimes bruisingly – the lessons learned from ten years of a new approach it had taken to grantmaking at the end of the previous century. Among other things this involved making a ‘big bet’ (a large, long-term investment) and working directly with communities as equal partners. The report chronicles not only the successes, but the false steps and their effects on grantees, staff and board members. One of the discoveries revealed by the report was that the foundation had no clear path for correcting its course even when signs began to appear that its activities were not progressing as intended: ‘Perhaps as important as defining what a successful strategy looks like is defining what should happen if that strategy is not proving successful. As a staff member noted, “we didn’t define success – and we certainly didn’t define failure”.’

In 2011, Admitting Failure (AF) describes itself as ‘a community and a resource to encourage new levels of transparency, collaboration and innovation across the for-purpose sector’. The site hosts a collection of stories of failure and their consequences, good as well as bad, from across the development sector. These include tales of how an Indian non-profit became enmeshed in an unequal power relationship with a donor and how a humanitarian engineering organisation, based in Australia, learned that ‘speaking to everyone can mean speaking to no-one’.

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In 2019, international relief agency CARE published its first *Learning From Failure* report which analysed what project evaluations suggested was going wrong, and areas where it could strengthen its programming to improve impact. In addition to profiling individual examples of failure, the organisation analysed broader trends across several projects in an attempt to discern any systemic weaknesses that might be producing failures. CARE reviewed 114 of its project evaluations, conducting a qualitative analysis based on a predefined list of categories. Importantly, rather than counting the individual projects where failure occurs, the approach considers the percentage of failures in each of its chosen categories, giving, CARE believes, a better sense of possible systemic faults. Two areas of improvement that emerged from the research were missing key inputs and the need to understand the context. CARE’s report also notes that ‘the research does not imply that the projects represented in it are failures. Of the 206 evaluations in this sample, 194 projects met 80% or more of their impact and outcome targets. Examining even successful projects for common challenges provides critical information to shape our strategies in coming years.’
A particular take on profiting from failure is provided by EVPA’s guide, *Learning from Failures in Venture Philanthropy and Social Investment*. The preface notes that while ‘venture capital has always assumed (and priced) risk into its portfolio approach... this has been harder in venture philanthropy/social investment for a number of reasons – measuring social return on investment is hard, which makes pricing hard, and it is harder (and arguably unwise) to be brutal about which investees are successful or failing, when we are so often investing in people’s life outcomes.’ The report groups the causes of failure into issues related to the internal organisation of the venture philanthropy organisation (organisational risk), misalignments in the development of the investment strategy of the VPO (strategic risk) and failures in the execution of the investment strategy (execution risk).

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Success isn’t the sole priority

Created in 1994 to support conservation and sustainable economies mainly around the Mediterranean, coastal West Africa and Switzerland, the MAVA Foundation will cease grantmaking this year. Self-analysis has been a key part of its winding-down process. And as MAVA director general Lynda Mansson tells guest editor, Donika Dimovska, unalloyed success is not necessarily something to celebrate, arguing that if you haven’t failed, you’re not trying hard enough.

Donika Dimovska: As you’re winding down operations at MAVA, can you share with us what it really means to learn from failure? Has that changed over time?
Lynda Mansson: Because we’re closing, we are now doing our best to capture our lessons and share them with others. We also commissioned a commemorative book, which will touch on not just happy success stories, but also on what didn’t work so well to make it more useful to others. I really feel that, as funders, we need to embrace failure. There are different kinds of failure and risk, but what I’m really talking about here is not achieving your objectives. If we don’t learn, it’s a wasted opportunity and if we don’t share those learnings, it’s an even greater waste. There needs to be an attitude towards failure that is about seeing it as a learning opportunity so that we can do better next time and that means building the right kind of culture at all parts of the system. The board, staff and partners need to accept that sometimes the objectives aren’t met. Partners need to be able to be transparent about what’s not working and trust that the donor is going to help solve the problem and not say, ‘oh, you failed, you’re out’. There’s a huge fear of that happening.

DD: Did you struggle to embrace failure within the foundation? How did you overcome some of the resistance that I suspect was there?
LM: It can take some time to build that culture, and for sure, we struggled with it – like everybody. Nobody wants to be blamed for or talk about something that went wrong. It’s very uncomfortable and we don’t want to point fingers at partners either, so if you
There are different kinds of failure and risk, but what I’m really talking about here is not achieving your objectives. If we don’t learn, it’s a wasted opportunity and if we don’t share those learnings, it’s an even greater waste.

They’re rarely the ones saying ‘no we have to be careful’. Second, it’s hard for everyone to accept when something fails and we rarely use the word ‘failure’ because it’s difficult to absorb. So I think one of the tricks is not to use the word failure and focus on the fact that the objectives weren’t achieved, what are the learnings here and how do we do it better next time?

DD: It’s good to emphasise the importance of a board that’s supporting you in that way. One of the things we’re trying to unpack in this Alliance special feature is that learning has to be something that you embrace at every level. Were there unanticipated failures that made you pause and say, ‘oh wait, we need to be more intentional about how we do this?’ Or was it for the most part, things that you named from the get-go as risky?

LM: Of course, we could not always anticipate the failures. One very notable example was the arrival of Covid. When we went into lockdown,
a lot of the work that had been planned could not take place. We chose to adopt a supportive attitude to help deal with the risk of failure or actual failure. There’s still time to catch up on some of that but it did completely derail many of our plans. Having said that, I was so impressed with how partners adapted and reorganised, finding different ways to achieve the same results and sometimes more. But that requires that on the donor side, too, we were flexible enough to adapt to the situation.

DD: I’m curious about how you approached learning with the partners both before and after Covid. One of the big themes in the special feature is that we don’t do that enough. We don’t set learning objectives with partners and assess how well we’re doing or even how much we’re learning from them. I wonder if you have any insights on that question?

LM: In our final phase, we chose a completely different approach to grantmaking. Within each of our programmes, we convened the partners to identify the most important issues to work on. We then convened organisations working on those issues to build the strategies together and those organisations formed steering committees to oversee progress on the work. We used a methodology called Open Standards, which allows you to define a very clear theory of change with transparency on who’s contributing at which part of the theory in order to achieve the desired result. We set it up in such a way that the implementers can have ongoing conversations about how things are going and how to adapt as needed. We had a mid-term evaluation that was mainly focused on what we are learning and how we need to adapt for the final three-year period, and that really worked well. Some partners said to us, ‘we’re not getting anywhere on this. Why don’t we divert those funds to another partner so they can do more of what is working well’, which is unheard of in the competitive environment that we often work in. Some had trouble adapting to this way of working and the level of transparency required, but by and large they learned together and adapted and planned together in ways that were impressive.

DD: As you said, it’s not a common way of working, which takes me to the question of whether you could have done this sooner in the life of the foundation, or did it need

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the final push of the wind-down? In hindsight, what would you do differently if you were at the beginning now?

LM: We had a discussion not long ago about what we would do if we were going to continue and we decided we would take the best of the model I just described, this highly collaborative approach with multiple partners working in a coalition, while providing perhaps a more flexible structure. In a way, it’s a pity that we’re ending now. The approach was slower to get off the ground than we had anticipated, so it would have been nice to have a few more years to see how it really bears fruit. One of the reasons we did it this way is because we wanted to create communities of actors on the issues that we’ve been supporting so that they can continue working together when we have closed. So I’m hoping the approach will continue, and I’m optimistic about that, but that remains to be seen.

DD: Just looking through the learning from failure lens, do you think that model could be more intentionally used for learning also from things that don’t go well in a more effective way than philanthropy often does now?

LM: I think so, because having people come together who have a common goal and strategy allows a lot more adaptation than if it was just a single project with a single implementer. I think our approach provides more incentive and a better structure for adaptation. That structure has to be built and nurtured, which we invested a lot of time and energy into doing. It’s not a small undertaking to build these kinds of coalitions, but it does have the great benefit of joint learning.

DD: I know it's a model others are trying and I wonder if you have any insights for them. What do you think is something that we all need to hear, even if it's uncomfortable?

LM: We just went through a process of identifying the key lessons we want to share with the philanthropic community and one of them was, if you’re not failing, you’re not trying hard enough. As funders, if we’re achieving our objectives on every project, we’re not really pushing the boundaries very hard. So we should explicitly accept and plan for some percentage of the portfolio to be higher risk. Instead of thinking if a single project didn’t achieve its objectives – ‘oh my God, that’s a catastrophe’ – think across the portfolio, it’s normal that X per cent doesn’t get there. I think it helps to digest the failure aspect. So I hope that the field develops towards the idea that we should be failing. Because if everything’s going perfectly, we’re really not trying hard enough to effect change.

DD: Is there something about philanthropy that is hindering that process? In business, it’s routine – X amount of our business is going to be long shots, things that are likely to fail. But in philanthropy, we’re very hesitant to embrace that mentality. Is it a cultural shift, is it more we don’t have the processes in place, or is it because we feel the burden of the issues so heavily that we fear we’re experimenting with people’s lives?

LM: I think part of it has to do with the power structure that’s inherent in funding. When you have the money, you have the power, which feels all wrong because I don’t know more than the people who are actually working on an
This funny power dynamic creates the system where, if you’re a grantee, you only want to show that good things are happening because if you talk too much about what’s not working, you won’t get the funding and you can’t do your work. We’re in this cycle of lack of trust and transparency. I really hate what I call ‘happy reporting’, where you get reports that say, ‘everything went great. We held a workshop, we did this and we did that and it’s all good’. I want to see what you learned, what didn’t work and how you adapted. You have to build a relationship to be able to have those kinds of conversations. We as donors need to accept that it’s really hard to plan something perfectly from A to Z. You need to adapt along the way and we need to encourage real partnership rather than saying, ‘you said you were going to do X and you didn’t’. It’s an attitude shift and it’s about having a trust-based partnership.

**DD:** How did your learning system evolve?

On the one hand, there are these cut-and-dried things like logframes and KPIs which create a false sense of precision and on the other hand, there’s this idea that nothing can be measured, because whole systems are involved which are too complex to account for. Is there a middle ground somewhere?

**LM:** My view is to use a robust planning methodology, like the Open Standards that I mentioned, which allows you to be very specific about what actions lead to what results and which gives you the basis on which to measure what’s happening and also to learn and adapt as needed. I think being totally flexible and adaptive without the specificity of the planning doesn’t work and having rigid detailed planning doesn’t work either. It’s as you said, meeting in the middle with robust planning and adaptability.

**DD:** Is there anything else philanthropy can learn from the legacy of MAVA Foundation?

**LM:** We were part of a really interesting initiative launched by the Cambridge Conservation Initiative at Cambridge University. They looked at failure in conservation projects – failure being defined as not achieving your objectives – and tried to come up with a classification of the reasons for failure, and built a database of failed projects (see page 58 – ‘An opportunity we can’t afford to miss’). We asked them to do a mini-analysis of just MAVA projects, and we found some divergence from the database in general. For us, the most common factors that lead to project failure are related to humans – governance failures, team dynamics, leadership problems or capacity gaps. It’s usually not a technical problem. That tells me that investing in people’s capacity, leadership and organisational development really helps lay the basis for project success by getting ahead of these people-related issues. Just investing in a project sometimes isn’t enough. You may need to look at the organisation more holistically.

**DD:** Is there a particular competence you need to invest in internally, or is it more in the partners you work with?

**LM:** One of the lessons we have learned is to trust the expertise of partners and to listen to what they’re telling us they need. But to be able to trust in that way, you need to have in-house expertise. The programme managers need to know enough to be able to say, ‘okay, we can see you know what you’re doing, we trust you, all power over to you’. But when you have that expertise, you’re going to want to get involved. So I would say an important skill is knowing when to step back and let go, rather than coming in as an expert. The partners are the experts, and we are here to support their work. There’s a skill in having the expertise and using it wisely.

**DD:** The Cambridge Conservation Initiative’s analysis would be really great for all of us because what we’re finding is that there’s not enough analytical basis of what it means to fail. It’s more of an art than science, and we need to bring more of the science into it.

**LM:** They also did a series of webinars about different elements of learning from failure which were very interesting. Their focus was on conservation projects, but I think the learnings are relevant for other sectors as well. That would be a starting point for anyone wanting to look further into this.

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Looking beyond the binary

Learning from failure needs a sharp and objective eye. We need to be able to discern it in the midst of apparent success – and vice-versa.

The climate emergency brings to the fore the need to better design long term programmes for the poor on the basis of current and past on-the-ground experiences. At the SELCO Foundation, which works to alleviate poverty and fight climate change in India through decentralised renewable energy programmes, we know that better than most. Often, interventions are either labelled as successes or failures. This binary way of looking at them has prevented better analysis of their lessons, leading to a waste of philanthropic monies. It might be more productive to look at the shades of grey between the black and white and to try to discern the successes within the failures and vice-versa, especially when it comes to climate and development-related interventions.

Let’s imagine each intervention consisting of multiple parts, like links in a chain. In the climate and development field, normally if one of the links breaks, the whole chain is discarded as a failure. The possibility of replacing that link is seldom examined and philanthropic money is repeatedly used to rebuild the entire chain on the pretext of different geographies, culture, typographies etc. The learnings are never transferred, as ‘failed’ projects are perceived to be doomed to fail again.

Let’s take a closer look at some examples where either a failure is masked by success or where perceived overall failure has produced good results which might have larger implications.

A success for the energy sector, a failure for people and planet. Increasing food demand and the role of irrigation in improving food yields on existing cultivable land is well established. The energy sector has produced solar-powered water pumps to meet the need and, in the past decade or so, SELCO has deployed more than 5,000 of these and helped farmers transition from fossil fuels to solar energy. In the short term, the intervention has helped farmers move to multiple cropping cycles and to save on fuel costs for the water pump. However, in the long run, the incentivisation of solar water pumps in isolation has, perversely, led to...
over-consumption of water and use of energy. With water tables depleting, the farmers are forced to dig deeper and enhance the capacity of the water pump, thus making irrigation and farming unsustainable, leading to migration and even suicide among farmers because of being forced into perpetual debt.

**Failure of a model, but a successful foundation for other developmental activities.** In remote tribal areas in the east of India, small pico lights were deployed because of the lack of an ecosystem for decentralised standalone energy systems. Local women from existing self-help groups (SHGs) were mobilised as sales agents. The members of the SHGs were trained to raise awareness in their villages, coordinate with suppliers and vendors of the small solar lights, and manage sales and logistics. However, within months, the small light often stopped working and the project was scrapped as a failure. Yet, the programme engaged hundreds of entrepreneurial women in remote areas who were trained in finance, business and technology and although the project marked a failure of a form of solar technology, it gave birth to numerous grassroots entrepreneurs in the field of sustainable energy.

**Failure at an individual level, but a success for society.** For three years, SELCO has been implementing projects that linked decentralised energy solutions with agri-processing infrastructure. The primary aim was to increase farmers’ incomes. The other aim was to reduce the transaction costs for farmers in accessing markets and processing facilities. For the sustainability of such interventions on a long-term basis, it was important to ensure a robust financial model, which allowed for the processing unit (powered by solar) to run as a viable enterprise in a climate-resilient manner. Inefficient technology, lower market access and aggregation of produce were some of the challenges that made the businesses unviable. However, many of these interventions proved critical in ensuring food security for remote farming communities.

Although the project marked a failure of a form of solar technology, it gave birth to numerous grassroots entrepreneurs in the field of sustainable energy.
There has to be a narrative shift towards improving evaluation methodologies in framing successes and failures from both funders and NGOs.

During the pandemic in 2020 and 2021, farmers developed their own markets, linked to local Public Distribution System (PDS) units, grocery pack relief programmes and saved their harvests. A financial flop proved a vital safety net during the pandemic and has led to new learning on the need for subsidised infrastructure financing or blended financing models for rural farming communities.

How do we learn to celebrate failures?

There is enough evidence in the last two years to redefine and evaluate failures and successes with benchmarks that take into account climate change and inequity. There has to be a narrative shift towards improving evaluation methodologies in framing successes and failures from both funders and NGOs. Funders can move the needle by forming equal and inclusive partnerships with their grantees. Anything less will fall short of achieving more genuine and transparent feedback loops.

If and when the insecurity levels about funding decrease and it becomes more about solving the problem, NGOs will need bold leadership, leadership that continuously strives to ensure that we don’t get carried away by successes or by failures and are able to look into both to find what one has missed and as an organisation, society or the human race could be doing better.

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Failure is rewarded in the coin of wisdom

Talking openly about what went wrong is not about recrimination, but about grasping the opportunity to improve

We all want to achieve our goals. That means we need to know how to make those aspirations come true and what will help us do the best we can to make a difference. The problem with focusing only on such affirmative evidence is that it doesn’t give us the full picture. The reality is we often learn more from failures than from our successes – and it’s only through learning that we can adapt and continue to improve.

The challenge, as uncovered by a recent study supported by the Walton Family Foundation, The Gordon and Betty Moore Foundation, and the Wildlife Conservation Society,1 is that talking publicly about our failures with others turns out to be really hard. Unfortunately, it almost never happens in ways that promote shared learning within organisations.

The study identified four key barriers to talking about and learning from failure:

- Reticence of staff to talk publicly about failure for fear of losing respect, status and support for their work.
- Restrictions from some funders on changes in approved budget line items are inadvertently an impediment to reporting failure and adapting work plans over the life of a project.
- Decentralisation results in locally appropriate solutions, but can also create numerous silos that prevent lessons from failure being shared more broadly within an organisation.
- Limited staff capacity. Because staff are swamped with work, they have limited time. And there can also be little incentive to talk about failure with their teams, especially when they are not getting the message from their leaders that doing so is valued and valuable.

As funders, we shouldn’t expect our grantees and partners to share what’s not working if we are not willing to do so ourselves. At the Walton Family Foundation, the end of a five-year strategy cycle at the close of 2020 provided an opportunity for deep reflection as we began developing a new set of five-year strategic plans that would take us to 2025. Through that process, we identified key successes and failures across each of our programme areas. Our work on economic development and education in Northwest Arkansas, for instance, had not benefited everyone in the region; in particular, we saw declining rates of low-income students in foundation-supported schools in the region. In our Environment and K-12 Education programmes, we recognised that changes in the system required broader engagement with a wide variety of constituencies. At times in the past, our work did not include voices from communities most affected by policies designed to address education or environmental issues. By having frank, and sometimes difficult, discussions about what...
wasn’t working, we gained insight into the need for significant adjustments in how the foundation is approaching its work moving forward.

In response to the challenges noted above, each programme area is now more intentionally focused on inclusion and lifting up voices in advocacy that may not be traditionally heard. For example, our Environment programme is working more closely with tribal groups, fishing communities and others to advance their priorities around improved water stewardship and management in policy negotiations.

**Pause and Reflect**

How do we overcome the cultural resistance to discussing failure, coupled with the practical limitation of staff capacity constraints? The study focused on one particular solution – the use of Pause and Reflect sessions, which are essentially rapid versions of the deep retrospectives that we did at the end of our strategy.

Pause and Reflect is a simple process for teams to meet regularly (or in response to a crisis) and ask themselves what they hoped to achieve, what went well, what not so well, and what adjustments can be made to do better. They are used by many different types of organisation. Armed forces use Pause and Reflect sessions after deployments. Hospital emergency room staff use them at the end of each day to talk about what treatments worked best and what treatments could be improved.

The report notes that conducting regularly scheduled Pause and Reflect sessions is an essential way for teams to learn the process of frank and open discussion without ‘blame-gaming’. This gives them the experience they need to conduct a Pause and Reflect session when a crisis occurs that needs to be deciphered and resolved quickly.

The game-changing aspect of team Pause and Reflect sessions is that they are empowering for staff not in positions of power. Through these sessions, staff can see that their voices are listened to – and their ideas acted upon. They help teams work better together when things are going well, help prevent the preventable, and can help people understand why things did not work as expected and learn how to avoid similar mistakes.

The Walton Family Foundation is launching a new grant evaluation approach that uses the Pause and Reflect model to learn collaboratively with grantees. This marks a shift from holding grantees accountable for hitting predetermined targets, to accountability for strategic adaptation in service of social and environmental impact. If Pause and Reflect is used as an alternative to current reporting requirements, it could free staff time and speed up team learning and adaptive management. It can provide grantmakers with a far better understanding of how their support is working and strengthen learning-based partnerships with grantees.

At the Walton Family Foundation, we believe that taking the time to pause and reflect could truly transform the culture and practice of our work and help us leverage our failures into new insights that drive impact through 2025 and beyond.  

![Above: WFF community support in Arkansas.](image)

"Decentralisation results in locally appropriate solutions, but can also create numerous silos that prevent lessons from failure being shared more broadly within an organisation."
Decree or co-create? How to decide what is working

The success or failure of initiatives is often determined by the donor without much reference to the grantee. Ironically, this can make it seem to the funder that what is a success is really its unwanted opposite.

There is an undeniable power dynamic in philanthropy between funders and beneficiaries; this is particularly obvious when it comes to defining success and failure. Because philanthropy controls the money, it defines what non-profit success (or failure) looks like. The limitation of this is that philanthropy is not on the ground doing social change work, and yet, when there is success, philanthropy takes the credit and attempts to correlate how their funds caused the improvements. But are funders best positioned to define impact in the first place? Are there more equitable evaluation approaches that share or cede power to define success to grantees and the communities they serve?

A cautionary tale

Instead of partnering with non-profits and engaging in dialogue about what they’re learning and accomplishing, the industry standard is to document a set of canned metrics for non-profits to ‘prove’ they made a good use of the funds. This leads to collection of information around impact that is rooted in what foundations want to hear and not what they need to hear. It also exacerbates the power dynamic that keeps grantees from taking risks, sharing challenges and creating more meaningful opportunities for learning.

An example of this occurred when a foundation attempted to incentivise non-profits working on healthcare access to incorporate quality-of-care issues into their work. The foundation’s belief was that providing grants to health advocacy groups for quality-of-care issues would increase advocacy on those issues. It defined the work and developed a theory of change that included a set of outcomes and indicators and then selected six statewide grantee partners. Each of these organisations used the funds to hire staff, attended all the foundation events, and then submitted quarterly reports detailing the work they were doing to address quality-of-care issues. Foundation staff presented the results internally to demonstrate progress against outcomes. Based on this, the foundation continued to fund these organisations over a period of five years.

However, the funded organisations did not prioritise quality-of-care issues. Instead, they used their staff to do the work that was central to their mission and added ‘quality-of-care’ language to anything they shared with the foundation. Seeing minimal...
efforts to engage in quality-of-care issues, the foundation ended the programme. The story shared internally at the foundation was that advocacy organisations were not the right vehicle and so they stopped funding policy and advocacy efforts. Foundation staff did a lot of work upfront to set parameters and define success but very little to engage grantees in defining success or determining the need for this work. In other words, because the foundation set the agenda, it was they who defined success – and correspondingly failure. By their lights, the project failed.

**An alternative scenario**

The real failure in the example is the failure to draw the right conclusion – not that advocacy vehicles are the wrong vehicle, but that the industry standard approaches have limitations. Others, however, can learn that lesson. A common vision worked out between the foundation and non-profits to determine what was needed to improve the health and well-being of their communities might produce both greater buy-in and better results – more effective use of resources and more importantly, real social change. So, how can funders and beneficiaries work together to co-create a learning approach that both sides are happy with? This work must start with building trusting relationships and shared power in defining and measuring impact for learning purposes. Before Headwaters Foundation – a healthcare conversion foundation in Western Montana – made a single grant or determined measures of success, its staff had a ‘500 cups of coffee’ tour across its service area. Through this process, the foundation determined primary social concerns to prioritise. These early conversations also built trust as communities began to experience the process of relationship-building and problem-solving with foundation staff. Internally, Headwaters was engaging staff and trustees in deep culture work to prepare to shift the paradigm of a foundation evaluating for impact and defining success to a culture of learning with the community and trust.

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In 2019, Headwaters created its theory of change and evaluation and learning framework. Using the trust built in the previous years, Headwaters asked its grantee partners to identify which outcomes they thought were important to track to achieve the change that communities wanted to see. Headwaters’ evaluation and learning framework is centred around listening, learning and sharing grantee stories highlighting success and areas for improvement based on lessons learned.

Headwaters’ evaluation and learning framework also shifted the burden of collecting stories of change from grantees to staff. Rather than having a reporting process imposed on them, grantees shape the learning experience they want. Reporting is done through conversations. Staff enter the information collected into a knowledge management system, which is part of the grants management system and is where grantee stories are linked to outcomes from the theory of change. Staff then use the knowledge management system to create an annual learning book divided into three sections:

1) Accountability, which is what Headwaters as funders can control and where staff look to assess how the foundation is doing (number of grants awarded, results from staff surveys, the foundation’s Glass Pockets rating, the annual staff goals dashboard, etc).

2) Staff uplift grantees’ stories to learn about the work they support, looking at successes as well as challenges.

3) Staff look at impact indicators using external data sources to track how health is changing in Montana over the long term.

Headwaters Foundation uses learning work to:

- make changes to strategy to better align with what staff are hearing from grantees
- understand and illustrate the effectiveness of a community-led, trust-based model for addressing the social and economic barriers to health and well-being, including the assets and strengths of communities
- build mutual learning relationships with partners.

The impact of this shift has been significant for Headwaters Foundation. First, there is more buy-in and commitment to the work by both grantees and staff because it is prioritised by grantees and the communities they serve. Because staff have focused on building trusting working relationships with grantees, they hear candid stories about what is happening on the ground. In other words, grantees feel they can be honest about what’s not working and they and foundation staff collaborate to solve the problem. Early admission of failure means less wasted time and resources. Grantees are also more comfortable taking risks because the foundation’s approach is about learning what works. The time that grantees spend doing mission critical work has increased because they are focused on doing the work instead of chasing funds or writing reports on what they think the foundation needs to hear. Finally, board conversations on impact have shifted from short-term metrics towards a better understanding of the ecosystem Headwaters funds and the realities of advancing long-term systems change on health equity, which in turn informs resource allocation.

Headwaters Foundation recognises that their approach is not perfect. But by sharing their story of how they worked with the grantees to define success and share learning, they hope they can be a part of a larger conversation that eventually shifts the industry standard on measuring impact to one in which grantees’ role is to define and measure success and philanthropy’s role is to listen and learn from grantees.

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Leadership and intentionality

At Laudes Foundation, we closed 2021 with an event for staff which was about sharing failures and drawing lessons from them. Kicked off by our CEO, we encouraged staff of all levels to consider their lessons from the year and reflect on what could have been done differently. Our goal was to demonstrate that the foundation is a place where staff can be open about and learn from failure without fear or shame. This was a key milestone for us in terms of starting to build our learning culture.

Learning from failure is vital to building strength within an organisation and acknowledging its weaknesses, but it’s impossible without the right organisational culture. To leverage the true value of learning, and indeed become a learning organisation capable of influencing and affecting change, we need to take a few steps back and start from the beginning. We wanted to use our contribution to this special feature of Alliance to describe not only why we decided to become a learning organisation, but how we are going about it. What is learning and how can we develop an approach that is both proactive, inclusive and effective?

Laudes Foundation was founded in 2020 with an ambitious mission to accelerate the transition towards a climate positive and inclusive economy by working with and through industry. The changes needed – from better environmental and labour regulations to improved social protections – are complex. Given this complexity, we knew the opportunities to learn and improve could not be wasted. We also knew that we needed to go beyond traditional monitoring, evaluation and learning structures or the approach to learning would be wasted.

So from 2020 Laudes has focused on building a learning organisation and culture to support its systems change ambitions.

Step 1: Learning is focused on strategy, system and change

In 2020, we started our learning journey by identifying what we needed to focus on as a foundation through a systems mapping and strategy building process. It was an intense period of work, where we consulted stakeholders inside and outside of the...
foundation and built a system-wide theory of change – in fact, multiple theories of change. Systems are complex after all, and too much for just one theory.

This work allowed us to define what we wanted to learn about, what to measure and what questions we needed to develop.

Step 2: Learning is not just a number
One of the key lessons we had from previous years is that learning is not wrapped up in a set of numerical key performance indicators. We need the explanatory qualitative evidence as well – the stories of change. This therefore inspired us to develop a set of rubrics closely tied to our systemic theory of change, to help us and our partners understand how well we were contributing to change.

Rubrics are a set of criteria that describe ‘what good looks like’ and we use this approach for all measurement and evaluation processes. These allow our partners to explore both stories and numbers and make comprehensive assessments of the quality of change. This is an invaluable and tested approach to assessing impact, and provides a robust starting point for learning.

Step 3: Learning needs an agenda
After developing these building blocks, we needed to determine a pathway for effective organisational learning.

We created a foundation-wide learning agenda to serve as our ‘compass’ for learning priorities. Devised through a collaborative effort engaging teams from across the organisation, we developed

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learning questions to show how learning can be embedded in our existing work, for example rubric-based measurement and evaluation, after-action reviews, cross-programme workshops, partner convenings, and communities of practice. We also worked cross-programmatically to identify common themes and shared learning questions and activities.

This work has laid the foundation for learning at Laudes and our open, collaborative approach. After a year of development, our learning agenda is still evolving, but the process of working together is building that learning muscle and honing our capabilities.

Step 4: Influencing learning through learning influencers
Mobilising support within your community is key to maintaining learning momentum because learning takes time and resources and is beyond the capacity of a single person.

So, we launched a call for learning champions early in the process of implementing our learning strategy. Our learning champions span the organisation and are based in our offices across the globe. They are learning influencers who model learning behaviour and support others with their learning activities.

To encourage a team of staff members, already stretched with work commitments, to devote time to leading learning, we provide them with a platform and recognise their efforts through our performance management system and we provide support and targeted professional development opportunities.

While incentives play a part, though, ultimately, these champions of learning are motivated by a desire to support their teams and a commitment to the goal of becoming a learning organisation.

Step 5: Partners for learning and learning from partners
Our partners are fundamental to the work we do and learning alongside them is core to our strategy. That’s why we are working on a partner learning approach that will offer them trust-based learning opportunities.

To understand how we can best support our partners, we have been exploring the barriers they face when it comes to learning. First and foremost is lack of time. They also don’t have the resources and would rather not use grant funding on learning.

One way of mitigating this is with more flexible funding models. Over the past two years, we have been steadily increasing general operating support to partners.

Our programme teams also play a central role in working with partners to identify learning priorities and potential opportunities. For example, last year, our finance and built environment programme teams launched a joint Community of Practice to facilitate learning across partners working towards similar outcomes.

Step 6: Culture can eat learning for breakfast... and lunch and dinner
It is often said culture eats strategy for breakfast, but it can also eat learning for breakfast, lunch and dinner if staff do not share an aligned set of values for learning.

In developing our approach, some of the barriers we’ve identified and been keen to address are: (a) time poverty – teams are often busy with making grants to partners – and getting a grant approved can often mean more than learning from results; (b) learning is not rewarded or incentivised; and (c) openness and vulnerability particularly with regard to learning from failure cannot be taken for granted.

We’ve also recognised that modelling learning behaviour is critical. If leaders create time for problem solving, knowledge exchange, constructive critique and dissent, then learning activities and culture flourish. For Laudes, having our leadership ‘walk the talk’ has been essential in building trust and intentionally carving out space for learning.

Leadership and learning forward
Ultimately, becoming a learning organisation is an act of intentionality and leadership, putting learning priorities down on paper, and finding ways to not only fall forward but also learn forward. And while all organisations are different and our challenges diverse, the act of embracing our learning mission, devising strategies for growth and building in incentives for a robust learning culture is something that can benefit all.  

1 Evaluative rubrics have been used by development banks and the UN for many years to track and learn from impact and change.
An opportunity we can’t afford to miss

Faced with the biodiversity crisis, failures of conservation projects give rise to much soul-searching. However, for the same reason, a closer look at these failures is vital.

The scale and severity of the current biodiversity crisis means that conservation practitioners are increasingly interested in the lessons learned through failure. In late 2018 we began a collaborative project with other organisations in the Cambridge Conservation Initiative to look at ways of doing this.

Most conservation scenarios are complex. A single site may be affected by a multitude of different threats, many of which may be entirely unknown and/or require the collaboration of a diverse group of individuals and organisations to achieve the desired results.

This complexity is an obstacle to identifying and learning from failure, and can even produce counterproductive results. When a plane crashes, it is usually straightforward to establish whether failure occurred. For many conservation efforts, establishing both whether failure occurred and how and why it occurred, is often considerably more challenging, with perceptions differing between various stakeholders.

It is also important to consider who gets to define failure. Some may consider a project as an overall success because only a single component of a wider initiative failed to meet its aims, while for others who see exactly that component as the only one of significance, the entire initiative might seem a failure.

We know that human psychology can make it difficult for us to admit that something we are deeply invested in has failed. Conservation generates ideal conditions for this sort of cognitive dissonance. Those working to protect and restore biodiversity are highly invested, and the consequences of failure crucial. Much conservation funding, for instance, is sought on the premise that life on earth itself at stake! While the urgency of the biodiversity crisis might justify this, it potentially leaves limited scope for open acknowledgement and discussion of failure.

Where to focus?
We decided that trying to improve analysis of the underlying reasons for failure had the potential to be particularly useful. We felt that this would both provide the shortest and most effective route to identifying solutions and avoid too much emphasis on subjective interpretations of whether or not something constituted a failure and/or who might be to blame.

From our communities of practice, we gathered examples of failure and used these to develop a taxonomy of reasons that cause conservation efforts to fail. We...
thought this could help teams identify whether failures resulted from inadequate planning, lack of resources, poor communication, etc, and to identify potential solutions based on the most urgent and common root causes. We collected all examples using informal face-to-face conversations, and under strict anonymity protocols, so that it wouldn’t be possible to know which organisation a particular example had come from.

As well as developing this taxonomy, which has now been used by a number of teams to analyse their projects, we were also able to explore other aspects of failure and develop some associated recommendations. For example, our project indicated that significant learning from failure already takes place within teams implementing conservation efforts, but that the resulting information rarely reaches others who could make use of it.

We also found that those tasked with implementing conservation efforts are generally the ones who get to define, analyse and communicate failure, with other key perspectives (for example, local/community stakeholders) often not incorporated.

A final limiting factor we found at all levels was a lack of time, space and psychological security to adequately reflect on failed efforts, capture learning and then apply/share this to improve practice.

Three practical steps
We subsequently identified three areas where relatively simple, practical steps, could make a significant contribution to improving learning from failure in conservation:

• Support ongoing efforts of conservation teams to learn from failure, through for example the use of Pause and Reflect sessions or after-action reviews.

• Improve the sharing and communication of the knowledge gained through effective learning from failure. In the short to medium term these efforts are probably best focused on existing and well-established communities of practice, where those involved have already established the trust needed to openly discuss failure.

• Key stakeholders (eg funders and senior managers) work to ensure that effective learning from failure is supported, prioritised and incentivised. For example by providing teams with the space, motivation and psychological safety to ask challenging questions about the systems and structures they are operating in.

Perhaps one of the most significant take-aways from this project was just how much interest there is in this topic. In addition to our own research, we were also able to engage with and share a platform with many others who provided additional, consistently eye-opening perspectives.

Examples include an initiative working to adapt and refine Pause and Reflect methodology for a conservation audience (see page 50), funders working to encourage their grantees to better identify and adapt to risk and researchers exploring in-depth some of the potentially problematic implications of applying some learning from failure approaches to complex and sensitive conservation contexts.

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Far from being a negative experience, this project has proved fascinating and constructive, providing us with a range of new ideas that we are taking forward to try and improve practice within our respective teams, organisations and collaborations.

We are also excited by the level of interest this is currently generating within conservation, and by the possibility that conservation can develop the necessary operational culture to foster learning from failure, while avoiding the potential pitfalls. Given the current scale of the biodiversity crisis, we feel this is an opportunity for learning that we cannot afford to ignore.

[1]tinyurl.com/CCI-failure-project

Above: Pause and Reflect activity in Flores, Indonesia.
Learning from failure is a profitable pursuit

Failures: in a spirit of openness, let me advance one of my own. Long ago, I was entered in an elocution competition, in which the competitors, all children too young to be able to say no, had to recite one of two poems. Being of a naturally indolent disposition, I chose the easiest one to memorise (an irony which the reader will shortly appreciate). The kids must have gone in alphabetical order so I had to listen to others take their turn. Many, surprisingly, had chosen the other poem. Eventually, I stood up, with a slight buzzing in my ears, gazed out over a sea of hats... and immediately plunged into the other poem! I stopped mortified and confused. A murmur of sympathy issued from the assembled parents. A woman said, ‘he’s forgotten it!’ in a loud stage whisper. Somehow, I got back on track. It was perhaps therefore only a partial failure (the article by Rachita Misra and Huda Jaffer of the SELCO Foundation on page 47 makes the important point that few failures or successes are unqualified). What I learned from the experience was to avoid speaking in public whenever possible. It was maybe not the most heroic of lessons, but I did learn from it.

Clearly this is the crucial point about failure. Its value lies in how we can learn to avoid repeating it. Everyone would acknowledge this in principle, but there are at least two obstacles to putting it into practice. The first is a natural reluctance to talk about failure. The second is the difficulty of changing. As Amy Edmondson notes in an article in the *Harvard Business Review* (which is also referred to by guest editor Donika Dimovska of the Jacobs Foundation on page 32), ‘learning from organizational failures is anything but straightforward’.

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Echoing a point made by many of the articles in this special feature, she argues that a changed attitude to failure is needed. ‘Organizations need new and better ways to go beyond lessons that are superficial or self-serving. That means jettisoning old cultural beliefs and stereotypical notions of success...’

Again, as with the special feature articles, she also highlights the importance of leadership. In fact, the critical role leaders play in an organisation’s openness to discussing and drawing its lessons is one of the keynotes of this special feature. Only leaders can make the kind of cultural shift required by creating a psychologically safe environment, in which failure is not reprehended, ensuring that ‘their organizations develop a clear understanding of what happened – not of “who did it”’ – when things go wrong.’ This idea is emphasised by the fact that a discussion on failure at Laudes Foundation was led off by its CEO, as Denise Brennan and Lee Risby highlight on page 55, illustrating the role of leaders in creating a learning culture. Another idea from Edmondson’s article which should resonate for non-profits is her belief that a large number of organisational failures ‘are due to the inherent uncertainty’ – unavoidable failures in complex systems, an idea which will strike a chord with many foundations.

But if funders find it difficult to talk about failure, it’s even harder for grantees. This is not just because they are worried about curtailment of their funding. For conservation groups, as Iain Dickson of BirdLife International points out on page 58, the stakes are higher – the future of the planet, which ‘potentially leaves limited scope for open acknowledgement and discussion of failure’.

Finally, one of the neglected areas of discussions about learning from failure remains that of the link between failure and risk. Interestingly, though it is not part of the special feature, Luc Tayart de Borms of King Baudouin Foundation mentions this in his interview on page 14: ‘The real added value of a foundation is risk-taking, and that comes with failure. If you don’t fail that means you didn’t take any risks, so you didn’t do your job,’ he says.

I’d like to suggest that failure is not the opposite of success but a springboard for it. Philanthropy naturally wants to be defined by its achievements. Those achievements will be much more modest if it is unprepared to fail and to profit from it. ●