Joshua Venture 2000-2005:
Lessons Learned

March 2005

In February 2005, the Board of Directors of Joshua Venture decided to move towards a closedown of the organization. Mindful of the value to be drawn from reflecting on the insights that have emerged from Joshua Venture's life-span as an organization over the past four-plus years, this report to has been developed serve as an overview of some of the major lessons learned. **It is offered not as an epitaph to experimentation but rather as a resource for funders and nonprofit organizers committed to social entrepreneurship and the development of a more inclusive and vibrant American Jewish community.**

Background and History

Joshua Venture was started by three foundations – the Nathan Cummings Foundation, the Righteous Persons Foundation, and the Walter and Elise Haas Fund. They saw a gap in the system through which the Jewish community cultivated next generation leadership and decided that the best way to fill that gap was to create a new approach to identifying and nurturing that leadership. The result was a new organization: Joshua Venture.

This was not an impulsive decision. It came at the conclusion of two years of research and consultation that entailed interviews with community leaders, an assessment of current opportunities available to young Jews, and the convening of a two-day focus group with emerging Jewish social entrepreneurs to gain a better understanding of the environment in which they operated and the needs of their respective organizations.

In dialogue with young Jewish activists, the Foundation's program officers and the consultants they retained to explore this issue identified the key constraints to organizational growth and development as a lack of access to capital, technical assistance, mentorship, and networking opportunities. As a result of this feedback, each of the three foundations agreed to invest sufficient funds to create Joshua Venture, providing the new enterprise with two-thirds of its operating budget for three years. They also committed to helping to raise the remaining funds for Joshua Venture from other like-minded foundations over that period of time. Its mission was defined as supporting and training emerging Jewish social entrepreneurs so as to enable them to transform their visions into action. The program's primary goal was to strengthen a new generation of leaders who were launching or expanding innovative projects and organizations that contributed to a vibrant, just, and inclusive Jewish community.

To accomplish this goal, Joshua Venture, under the direction of an executive director and an expanding board, set about recruiting Fellows from diverse fields linked only in their shared desire to create a more inclusive vision for the Jewish community in America. It also developed a customized curriculum to meet the needs of social entrepreneurs operating in a Jewish cultural context.

In its four-plus years of existence, Joshua Venture produced two impressive cohorts of Fellows who, through direct service programs, workshops, broadcasts, publications, and performances, reached 700,000 people. Also, through the stature accorded them as

Joshua Venture Fellows, these talented social entrepreneurs have been sought after as speakers and commentators by many Jewish organizations. Fellows have addressed the General Assembly of Jewish Organizations, the Jewish Funders Network, National Hillel Conferences, Hadassah's Regional President's meeting, CAJE conferences and more. Some Fellows have also been named to the Forward 50, Who's Who in American Jewry, and Young Jewish Women to Watch For. Altogether, the Joshua Venture Fellows provide a compelling example to key institutions and individuals in the wider Jewish community of the value of social entrepreneurship in creating new organizational forms and cultivating next generation leadership.

While the program, by most objective measures, was a success, fundraising for Joshua Venture proved to be an ongoing challenge. This was due to a number of causes among them the fact that Joshua Venture was conceived at a time of relative financial ebullience and when the notion of "entrepreneurship" as observed in the unfolding dotcom economy had great cachet**.** All eyes were on the rising stock market, the inter-generational wealth transfer, and the prospects for peace in the Middle-East. In the intervening four years, the financial markets slumped and the Intifada in Israel flared up again. As a consequence, much of the philanthropy within the Jewish community has gravitated toward the traditional causes of defending Israel from its critics, beating back the rising specter of anti-Semitism, and bolstering the ranks of traditional leaders within the Jewish community. While it may have been challenging under any circumstances to secure investments in a project without a proven track record that involved "risky" investments in unknown individuals, it was doubly hard in the present economic climate.

Nevertheless, during this period, other organizations concerned with next generation leadership – such as Bikkurim and Reboot – did emerge alongside Joshua Venture. While the three organizations viewed each other as colleagues, to some funders the similarity in goals and mission blurred the distinction between the groups and created additional fundraising challenges for Joshua Venture.

In the fall of 2004, as the organization was completing its transition from being a fiscally sponsored-project to becoming an independent 501c3, the Board discovered that the organization had been running a rolling deficit since 2002. While the three founding foundations, along with the board, stepped in to cover the deficit and ensure that the current fellowship could go ahead as planned, this information led the Board to commission an external assessment of the organization's program, structure, and finances which was prepared between November 2004 and January 2005. The process included interviews with over 50 people including current and past Joshua Venture Fellows, current and past Board members, leaders in the nonprofit and academic communities, and individual and institutional funders.

In early February 2005, Joshua Venture's Board of Directors met to discuss the assessment and the implications it held for the organization's future. After extensive conversation and debate, the Board reluctantly concluded that in the face of uncertain financial prospects and the decreasing likelihood of attracting a strong executive director to lead the organization, the most pragmatic path would be to close down Joshua Venture.

In the wake of the decision to close down the organization, the Board, as well as the founding funders, decided to capture some of the salient lessons learned from the process of creating and closing down a project like Joshua Venture. They believe that there are useful insights gleaned from this experience which can be of value to others interested in the opportunities and challenges of starting their own community programs. The Board and funders also hope that those philanthropic and nonprofit leaders specifically interested in identifying and cultivating the next generation of social entrepreneurs awaiting their chance to lead the American Jewish Community will also benefit from the lessons learned from the Joshua Venture experience...

Lessons Learned

1. The premise for Joshua Venture was sound. The success and impact enjoyed by the Fellows proved that that if given the right support, young people with great ideas could have a significant impact on Jewish life in America. Based on Fellow feedback, it was also clear that money alone does not turn a great idea into a reality – technical assistance, training, and mentoring (in combination with the funding) are also needed for full value to emerge from the experience. Also as hypothesized in framing the program, it was also clear that the Fellows derived great value from the relationships that they were able to build with other social entrepreneurs through their Joshua Venture experience. Now a national network of social entrepreneurs exists, with new nodes emerging abroad as programs modeled on Joshua Venture take form in places like Paris and Israel.

2. Joshua Venture was an entrepreneurial organization without an entrepreneur. Joshua Venture was established by a collaborative of foundations who, in some sense, were the real entrepreneurs at the heart of the organization. They came up with the concept of the organization, provided the start-up funding, and established the founding Board of Directors. Then the founding funders recruited an executive director into whom they hoped to imbue their entrepreneurial passion for the venture as they receded somewhat into the background. However, two of the founding funders re-emerged as ongoing Board members of the new organization. This contributed to a perception – one that the founding funders worked to discourage -- upon the part of some of the other Board members as well as some staff that the founding funders desired to retain control of the organization. This sensibility continued to prevail even after one founding funder left the Board while the other left her position with the sponsoring foundation. The result was an organization where there was a lack of clear “ownership” and where both Board members and staff felt that they were not in charge of the organization as much as managing Joshua Venture upon the behalf of the founding funders.

3. A new organization has to be careful of trying to do too many things at once. In retrospect, it now appears that Joshua Venture may have tried to do too many things at once**.** First, it tried to create broad understanding within the Jewish Community of the value of social entrepreneurship as a means of effecting social change. Second, it had to create an application and selection process customized to the attributes of young social entrepreneurs working in the Jewish Community. Third, it had to filter and blend the applicants to create a balanced cohort. Fourth, it needed to create a curriculum that infused a Jewish cultural context into the skills necessary for effective venture management. Fifth, it had to develop and manage both a grantmaking and technical assistance program. The Board of Joshua Venture now wonders if it would have made more sense for the organization to have focused its energies on cohort development or curriculum creation, for example, rather than taking on so many challenges at once. Finally, it should be remembered that all of this activity was occurring while Joshua

Venture was busy creating its own internal systems, building a staff, and melding individuals drawn from diverse sectors and age groups into a new Board of Directors.

4. Sometimes it pays to go slow before you attempt to go fast. With a financial running head start from its founding funders, Joshua Venture had, conceivably, the luxury to slowly build both its program and organizational structure. However, after planning the project for two years, the founding funders were eager to see some results. They were also mindful that Joshua Venture needed to tangibly demonstrate traction for other funders were to take an interest in the program. As a result, Joshua Venture tried to create a program, recruit Fellows, and build its own staff structure all within the first three months of operation; a tall order for any new organization. In the meantime, during the period in which the first cohort was being trained, investments were made in an under-utilized on-line learning environment, two curriculum modules on venture management that were better suited for for-profit entrepreneurs, and trainings on logic model creation and small business development that were better suited to the for-profit arena and/or organizations at a later stage of development. The Jewish curriculum was also amorphous and took several iterations before reaching a point where it was of real value to the Fellows. If more time had been taken in developing the program, it is likely that fewer missteps would have occurred and the experience of the Fellows would have been enhanced.

5. Being launched by a small number of high-profile foundations can be both an advantage and a disadvantage. The Righteous Persons Foundation, Nathan Cummings Foundation, and the Walter and Elise Hass Fund went out on a proverbial limb to start Joshua Venture. However, the role of these foundations created divergent impressions in the wider Jewish philanthropic community. For some funders, the visible role of the three founding funders offered assurance that this was a project well worth investing in. As proof of that, several other national foundations also made significant contributions to Joshua Venture, including the Andrea and Charles Bronfman Foundation, the Revson Foundation, and the Richard and Rhoda Goldman Fund.

For other funders, the engagement of three high-profile foundations in the creation of Joshua Venture was evidence that additional capital wasn’t required to sustain the organization. A decision that Joshua Venture made at the outset – to offer Board seats to foundations willing to pledge a minimum of $100,000 per year for three years – may have also created a sense of exclusivity among outside funders. In the end, the Righteous Persons Foundation, Hass Fund, and the Bronfman Foundation accepted this offer while the Cummings Foundation, Revson Foundation, and Goldman Fund declined.

6. Funder-initiated projects have a low rate of successful adoption by the communities they were designed to serve. As noted earlier, the foundations which started Joshua Venture saw a gap in the system under which next generation leadership is cultivated in the Jewish community. Their response was to fill it through create Joshua Venture. Historically, however, very few projects created in this fashion ever successfully transition from being founding funder-dependent to truly independent – both legally and as perceived by both the funding and non-profit communities. The majority of examples of “success” come from instances where foundation-initiated projects are transitioned into pre-existing organizations with a hefty amount of money designed to cover the costs associated with absorption and integration of the program.

In the leadership development realm, both the Open Society Institute (Soros) and the Rockefeller Foundation developed programs that they thought would attract outside philanthropic capital. It never happened at the scale envisioned and they eventually shut down both programs. By contrast, foundations like Ford, Casey, and Kellogg created their own leadership development programs but were prepared to absorb all of the costs.

7. For –profit models do not always translate to the non-profit sector. From recruiting Joshua Venture's first Executive Director to marketing its fellowship product, Joshua venture tried to map for-profit practices onto a non-profit organization. While the tech-boom of the late 1990s encouraged this practice, Joshua Venture learned that not all for-profit practices worked well in a non-profit context. For example, the organization hired a talented entrepreneur who had an impressive record in sales and marketing, however, his skills didn't effectively translate in the nonprofit fundraising realm.

8. It is important to develop clear impact measures from the outset, both for the sake of the program and in being able to make an effective case to funders. It is also important to make early investments in evaluation. From the outset, Joshua Venture operated with only broad impact measures thus making it challenging for it to construct a tight causal link between training and technical assistance delivered and change in behavior/activity of the Fellows and their ventures. This proved problematic in Joshua Venture's efforts to raise funds from a wider circle of funders.

Joshua Venture also faced a challenge endemic to many fellowship programs, namely was it a leadership development program that supported social entrepreneurs or a social venture investment program that provided leadership and management training to the founders/directors of said ventures? In other words, did Joshua Venture invest primarily in people or in projects? For those donors who saw Joshua Venture as principally making investments in people, the concept of serial entrepreneurship proved troubling as it suggested that some social entrepreneurs had the potential for becoming addicted to starting things but wouldn't possess the discipline or tenacity to stick with any particular venture long enough to see it to fruition.

The Board was mindful of the need for Joshua Venture to develop impact measures and an evaluation methodology and formed a subcommittee to examine these issues, but it came to this challenge somewhat late and its work was cut short when the deficit was discovered and the organization switched into self-assessment mode.

9. You have to work especially hard if you aspire to be a national Jewish organization and not be based in New York. Consistent with its mission to promote pluralism in American Jewry and in an effort to tap into the region's rich entrepreneurial resources, Joshua Venture intentionally located its headquarters in the San Francisco Bay Area. This was a risk, given that the Bay Area is not home to many national Jewish organizations as most such organizations are clustered in New York. Indeed, though Joshua Venture's positioning in the Bay Area allowed it to raise significant funds from foundations who otherwise would not have supported the organization at a comparable scale (if at all), it was challenged by the fact it was removed from New York's rich concentration of social and professional networks as well as the multiple philanthropic institutions and individual donors who call the city home. While a significant number of Fellows were based in the metropolitan region, Joshua Venture never effectively accessed the majority of resources available to national Jewish organizations based in New York.

Conclusion

In summary, Joshua Venture undertook many bold risks. It was founded on the premise that if you invest in young people and their ideas, the Jewish community will be strengthened and enriched in unexpected ways. This calculated wager will pay dividends for years to come. However, in some respects, Joshua Venture tried to change too many things at once, including: creating a sense of social entrepreneurship within the Jewish community; identifying and cultivating new leadership; working with young people in a fundamentally different fashion; and proving that a national Jewish organization could be based outside of New York.

Despite a mix of internal and external challenges, in its four-plus years of existence, Joshua Venture produced two impressive cohorts of Fellows and convinced key institutions and individuals in the wider Jewish community of the value of social entrepreneurship in creating new organizational forms and cultivating next generation leadership. Overall, sixteen Fellows successfully completed the Joshua Venture program. In almost every instance, the Fellows came through with increased self-confidence and a greater understanding of the value of their work to a wider community; enhanced stature and visibility; and new skills which can be applied to nonprofit project management and organizational development. As a consequence, the American Jewish Community has been immeasurably enriched.

Nevertheless, due to the financial and structural constraints highlighted earlier, the Board of directors of Joshua Venture has decided that the most pragmatic course of action is to close down the organization. In the meantime, it is hoped that this “lessons learned” report serves as an instructive tale for both funders and nonprofit organizations with interests and aspirations similar to those of Joshua Venture and the foundations who capitalized its creation.