



GEORGETOWN BUSINESS FOR IMPACT

Arabella Advisors: Built for Impact at Scale

A light snow fell on January 13, 2023, dusting the Chicago office of Arabella Advisors, a professional services firm that provided strategy consulting and fiscal sponsorship support services to donors and changemakers. Three members of Arabella's Board – founder Eric Kessler, principal Bruce Boyd, and senior advisor Sampriti Ganguli, emerged from the Polaris Conference room, a light-filled space with charming wood accents and a welcoming Midwestern vibe. The three leaders had just met with principals from Concentric Equity Partners, the private investment vehicle of the extended Steans family, which held a majority stake in Arabella. Deal terms had just been finalized for Arabella to acquire Redstone Strategy Group, a philanthropy consulting firm led by former McKinsey partners with world-renowned strategy skills. And several months prior, Arabella had purchased Kiwi Partners, which provided accounting, HR, and other services to nonprofit organizations.

Arabella Advisors (Arabella) was a business with a mission: Help philanthropists and changemakers on their journeys “from idea to impact.”¹ The company provided clients with strategy advice and services to support effective fiscal sponsorship, grantmaking, advocacy, impact investing, and more. Incorporated as an LLC in 2005 and later certified as a B Corp,² Arabella had worked with thousands of wealthy individuals and families, foundations, corporations, and nonprofit leaders over nearly two decades. Clients included large institutional foundations such as the Bill & Melinda Gates Foundation and Walton Family Foundation; family offices of high-net-worth individuals, including private donors and celebrities such as model and global health advocate Christy Turlington; nonprofits; and corporations. With each of its partners, Arabella strove to provide personalized, client-centric services designed to meet their unique needs and preferences – including for multi-generational family members.

Arabella's largest nonprofit clients included four independent organizations: New Venture Fund (NVF), Hopewell Fund, Windward Fund, and Sixteen Thirty Fund. These funds served as fiscal intermediaries, enabling donors to pool resources and collaborate with nonprofit leaders and advocates in areas such as education, food security, global health and development, climate action, voting rights, and gun safety. Collectively, these funds facilitated nearly \$1 billion in philanthropic grantmaking annually. NVF was the largest of the funds, employing more than 700 project personnel by 2023.

The acquisitions of Kiwi and Redstone were game-changers for Arabella. The lion's share of Arabella's revenue – more than 80% – came from its Partner Solutions (PS) business. PS provided administrative support services to philanthropic and nonprofit clients, including the four independent funds, and the Kiwi acquisition would expand Arabella's base of nonprofit clients while providing more efficient, tech-enabled implementation services to these clients at scale. Arabella's other main line of business was philanthropic strategy consulting. With the Redstone acquisition, the firm could level up and diversify its philanthropic advisory offerings in an increasingly competitive field.

Georgetown University's Business for Impact (BFI) Executive Director and Adjunct Professor Leslie Crutchfield and BFI Senior Director Joe Weinstein prepared this case. Phoebe Sanderson (MBA '24) provided research support. Citation: Business for Impact at Georgetown University's McDonough School of Business. (2023). Arabella Advisors: Built for Impact at Scale. Washington, D.C.: Georgetown University. Disclosures: Arabella Advisors provided financial support in 2023 to Georgetown University for BFI to produce this case study for educational purposes. Arabella Eric Kessler serves on the Advisory Group for Business for Impact. Crutchfield and Weinstein were previously employed by Arabella Advisors respectively as a contractor and an employee. Contact: businessforimpact@georgetown.edu

As Arabella founder Eric Kessler boarded his return flight to Washington, D.C., he considered the impact of these two acquisitions. Settling into his seat, he gazed out the window and reflected on Arabella's growth trajectory over nearly two decades that had culminated in this moment. His mind wandered back to 2005, when he'd first hatched the idea for the company while earning an Executive MBA at Georgetown University's McDonough School of Business. Arabella was his baby until its sale in 2020 to Concentric. In less than two decades, Arabella had grown into a \$60 million business with 425 employees who played key roles in effectively utilizing more than \$5 billion annually in philanthropy to advance social and environmental progress.

Kessler recognized that reaching this scale of operation and level of impact involved making a few critical strategic choices along the way. One early key move was to bring on Chicago-based Bruce Boyd as co-founder and quickly expand the business nationally. During Arabella's first decade, Kessler and Boyd had built the company to \$10 million in revenue and 100 employees by 2015. Since neither of them had experience running a professional services business of that size, they made another pivotal move: Hiring an outside CEO. They handed the reins over to Sampriti Ganguli, who led Arabella's next growth sprint to \$50 million by 2021. *[Exhibit 2]* She also successfully managed a sensitive leadership transition while engineering a major positioning shift to expand the PS line of business – a move initially resisted by some Arabella team members.

By early 2019, Arabella's leaders had grown increasingly aware that the firm would require substantial working capital to continue to attract top talent, strengthen its services, and grow beyond \$50 million. So Kessler and Boyd made their next strategic decision and began to search for an investment partner, ultimately agreeing to sell a majority stake to Concentric in 2020. The move made the acquisitions of Redstone and Kiwi possible under a new CEO, Rick Cruz, who took over after Ganguli stepped down in 2022.

Now, the stakes were as high as ever. With a new equity partner expecting both strong financial and social impact returns on its investment, hitting growth goals and revenue targets was paramount. Arabella was no longer a start-up with founders who personally knew every client. How would the firm maintain its relationship-driven approach while integrating new teams and expanding tech-enabled services? And while Arabella was an early pioneer of fiscal sponsorship services, the competition had intensified. The philanthropy strategy consulting field had also become saturated, and the consulting business model had always been hard to scale.

While Kessler mulled these concerns, he knew one thing for certain: The market for philanthropy strategy and fiscal sponsor services was growing – propelled largely by Arabella's pioneering efforts. In this expanding landscape, Arabella had managed to stake out a unique position that put it beyond the reach of most competitors – for now.

"The Arabella brand is gold, and its network is phenomenal," said Ken Hooten, Managing Partner at Concentric Equity Partners. "It's the 'Allen Company' of philanthropy," likening it to the network of billionaire investment banker Herb Allen, renowned for convening business moguls, celebrities, and other influencers at his Sun Valley ranch in Idaho.³ "Arabella has been at the vanguard of philanthropy," surmised a former client and senior philanthropy advisor. "It's one of the most consequential impact consulting firms in America."⁴

History of Arabella Advisors, LLC

Conception

The seeds of the idea for Arabella were planted during Kessler's early career experiences and involvement in family philanthropy. One of Kessler's first jobs was creating progressive advocacy tools as national field director for the League of Conservation Voters, the 501c4 environmental advocacy and get-out-the-vote group on a mission to "...build political power to protect people and the planet."⁵ Kessler went on to serve as a presidential appointee in the Interior Department in the Clinton Administration. He later joined the National Democratic Institute for International Affairs. He'd also been involved with a philanthropy his family had created after selling a fifth-generation family-owned manufacturing business.

“I’d spent my career in nonprofits and government, where I used a lot of philanthropic capital and government resources and saw more and less effective uses of the resources,” said Kessler. “I wanted to be on the other side of the coin – putting resources to work from the donor’s side.”⁶

What was missing was business experience. So Kessler enrolled in the Executive MBA program at Georgetown University’s McDonough School of Business. This afforded the chance “...to learn about how business leaders think, what they knew and understood.”

As part of research for a business strategy class, Kessler took the opportunity to study the outlook of the emerging generation of ultra-high net worth philanthropists who’d made billions in the dot.com booms of the 1990s and early 2000s. Kessler landed on a simple insight: These new mega-donors would approach philanthropy differently than their parent’s generation. He sensed these donors’ giving would be more hands-on and results-focused, and they’d be keen to demonstrate measurable impact. He also anticipated they would be open to deploying different kinds of capital to solve social problems, going beyond traditional grantmaking. Importantly, he anticipated that these donors would want to hire consultants to help them along their philanthropic journeys.

“The philanthropy world was entering a grand new era,” surmised Kessler. “There was lots of new wealth, and new [entrepreneurs] who made their money doing business differently. My bet was that they would carry that innovation into philanthropy, and that created opportunity.”

As the idea for Arabella began to take shape, Kessler scanned the industry landscape for potential competitors. The sector was nascent, and only a few organizations stood out. They fell into two categories: Some provided strategy consulting services to larger philanthropic institutions and nonprofits, while others served high-wealth individuals and families with grantmaking implementation, operational, and administrative support. Kessler did not spot a single enterprise providing *all* these services in a comprehensive, client-centered way with competitive fees. Seeing this gap, Kessler launched Arabella as a *platform* business – a “one-stop shop” positioned to provide donors with an array of services, from strategy and evaluation to implementation support to impact investing and more.

Kessler soon sketched out a business plan and put building long-term relationships with clients at the core of the approach. He wanted to be customer-centric and flexible, so he’d have to be ready to provide services that could meet a continuum of needs for this new breed of donors. “We wanted to work with people who wanted to work differently – that was our calling card.”

Excited to test his idea, Kessler rented a modest office in Washington, D.C., and launched Arabella a week after graduation with a handful of early clients and a grand vision: Build a professional services business for high-wealth families, individuals, and foundations that could be a flexible “one-stop shop” for their various philanthropic needs.

From Insight to Impact

As it turns out, Kessler’s combination of political, nonprofit, and philanthropic experience, combined with his business training at Georgetown, uniquely positioned him to launch this particular type of philanthropic services business.

“Eric’s special sauce is he’s an NGO person with a political and business mind. He can create relationships with business and political acumen,” said Walton Family Foundation Environment Program Director Moira McDonald. “And Arabella does ‘nimble’ really well – meeting client needs, trying things, starting things... They do all of this well.”

Kessler’s direct experience with family philanthropy became an important asset to the company. “Consulting to philanthropy is not the same as consulting to a FORTUNE 100 company,” observed a vice president of a major global foundation. “Part of the value of Arabella [is] specializing in understanding those differences, and

seeing philanthropy as a field and a practice, and that the expectations of philanthropy are different.”⁷

Kessler’s personal affinity for building relationships and laser-focus on serving client needs were important early differentiators for Arabella. “Eric is the kind of person you want to follow and listen to,” said Bill Clarke, a donor with whom Arabella had worked for nearly two decades on a variety of individual and family foundation projects. “He’s very easy to take advice from. He gives it in a way that is very encouraging and uplifting.” Clients like Clarke, who were new to philanthropy, found Kessler to be a source of guidance and inspiration. “I look at Eric as a luminary – someone who is able to see the big picture and focus on the good of the industry.”

To Be or Not to Be For-Profit?

A key early strategic decision was how to structure the company. Kessler was convinced that Arabella should be a for-profit LLC. This differed from the few impact strategy firms and fiscal sponsorship organizations that existed at the time, most of which were nonprofits. The idea of making a profit while serving philanthropists and nonprofits had not yet taken hold by the early 2000s, and Kessler met resistance as he vetted his idea with peers. But as he shopped for clients, primarily through his connections to family offices for high-wealth donors, Kessler understood that financial professionals would place *more* trust in a philanthropy consultancy if it were run as a *business*. In the investment sectors, nonprofits were largely perceived as inefficient and not well-managed.

Kessler made three strategic choices that proved critical to the firm’s early success: 1) operate as a “one-stop shop” rather than only offer strategy consulting or support services; 2) prioritize long-term client relationships and adapt to evolving donor needs; 3) incorporate as a for-profit. These decisions would have a significant, material impact on Arabella’s future growth and success. They created unique competitive advantages for Arabella in what would soon become a crowded consulting landscape, just as the philanthropic and social sectors rapidly evolved.

The Philanthropy Landscape

By the turn of the 21st century, philanthropy had entered a modern “Golden Age.” The technology and dot.com booms of the 1990s and 2000s spawned a new class of billionaires, many of whom unleashed their entrepreneurial ambition on philanthropy. Microsoft founder Bill Gates and Melinda Gates created their eponymous foundation. eBay co-founders Pierre Omidyar and Jeff Skoll established the Omidyar Network and Skoll Foundation, respectively. These were the modern Rockefellers, Carnegies, and Morgans.

Dubbed “philanthrocapitalists,”⁸ this new breed of donor brought business acumen and results orientation to the charitable sector. They also represented an open market for consultants seeking clients. Between 1990 and 2010, the number of billionaires grew by sixfold,⁹ while the number of foundations jumped from 32,000 to 77,000.¹⁰ At the same time, an unprecedented transfer of wealth was occurring between older and younger generations. Experts projected that \$59 trillion would be disbursed to heirs, charities, and taxes between 2007 and 2061.¹¹

Great wealth also brings great responsibility. Leading business thinkers were prompting these new philanthropists to do more than write checks to charities. “Foundations can and should lead social progress,” argued corporate strategists Michael Porter and Mark Kramer in their pioneering Harvard Business Review article, “Philanthropy’s New Agenda: Creating Value”.¹² Just like businesses, foundations should make strategic choices and strive to add *value* to society by doing things like investing in improving and measuring nonprofit performance, building capacity, sharing knowledge and advancing best practices in the field. At the time, the dominant thinking was that nonprofits should operate “like a business.”¹³ This led donors to fund nonprofits to replicate programs and expand to new places, much like business franchises.

However, adopting business-like approaches alone would not drive social progress. Forces for Good, a four-year study of high-impact nonprofits, demonstrated that the most effective organizations build movements and advocate for systemic change rather than simply scale up operations.¹⁴ To drive social change, nonprofits needed

funding to mount advocacy campaigns, lobby for policy change, organize grassroots coalitions, and pressure corporations to adopt more sustainable and equitable practices. These activities were labor-intensive and locally rooted. They were often political and highly controversial. As a result, it was extremely difficult to raise funds for this line of work. At the time in the early 2000s, most donors still equated philanthropy with giving to charity for community services. And though public charities were permitted to advocate in the United States, as the CEO of one of Arabella's early competitors cautioned Kessler: "Advocacy is not philanthropy."¹⁵

Kessler and partner Boyd saw things differently. Given the mismatch between conventional donor approaches and the needs that nonprofits had for advocacy and movement-building resources, it turned out that the model Kessler imagined for Arabella was uniquely suited to advance the field. His "one-stop shop" platform enabled new ways for donors to support bold change-making strategies and deploy innovative methods that were previously unavailable to most individual donors and families. Like floodgates opening on a dam, Arabella's Partner Solutions team and the fiscal sponsor nonprofits it supported would soon help billions in new philanthropic resources to flow into the nonprofit field with unprecedented velocity.

The Competitive Field

Kessler noted that a small field of competitors had begun to emerge by the early 2000s. Alongside various sole proprietor consultancies, two new strategy firms had been established – The Bridgespan Group and FSG. And two stand-out organizations provided fiscal sponsorship and donor advisory services: Tides and Rockefeller Philanthropy Advisors. All of these players operated as nonprofits by 2005.

Strategy Consultancies

Bridgespan Group was co-founded by Tom Tierney, Jeffrey Bradach and Paul Carttar in 1998 as a "bridge" between the business and nonprofit sectors.¹⁶ An independent 501c3 nonprofit, it spun out of the global business management consultancy Bain & Company, which had experience providing *pro bono* strategic services to larger nonprofits. The Bridgespan Group maintained close ties to Bain so it could access Bain's consulting teams and knowledge base. Still, as a nonprofit, it also could receive philanthropic grants to subsidize its work with nonprofits and conduct field-building research. Bridgespan prioritized thought leadership as a way to achieve impact, and the firm produced pieces that advanced thinking and practice on scaling nonprofits, achieving transformational scale, and philanthropy's big bets.¹⁷

Foundation Strategy Group (FSG) was a company co-founded by Harvard Business School strategist Michael Porter and private equity investor Mark Kramer in 2000. Porter and Kramer also launched that same year the Center for Effective Philanthropy (CEP), a nonprofit led by Phil Buchanan. FSG provided strategic consulting to large institutional foundations, corporations, and nonprofits and was founded on the belief that "ideas are the most powerful forces for change in the world."¹⁸ FSG converted to 501c3 nonprofit status in 2005 and prioritized thought leadership as a means of making philanthropy more effective through sharing insights and knowledge with leaders in the field. FSG published pieces that advanced practice in areas such as catalytic philanthropy, collective impact, and corporate shared value creation.

Fiscal Sponsors and Donor Advised Funds

Tides Foundation was founded in 1976 as a nonprofit organization by social entrepreneur Drummond Pike to provide fiscal sponsorship and donor advisory services to progressive donors and nonprofits.¹⁹ An early proponent of donor-advised funds (DAFs), Pike also helped catalyze the socially responsible business movement as one of the founders of Working Assets (later Credo), the telecommunications company dedicated to progressive philanthropy and political activism. Tides Foundation's Projects Program served as a fiscal sponsor for nonprofit projects, supporting tax-deductible donations to the projects and providing a nonprofit legal

framework in which its partners could operate.²⁰ The Projects Program was later incorporated independently as the Tides Center in 1996. Tides Foundation went on to launch donor advised funds, foster donor collaborations, host convenings and advocate for progressive causes in a multitude of ways. These included the 1980 launch of People for the American Way, a campaign to encourage tolerance in response to the national shift toward political conservatism. Tides Advocacy was created as an independent 501c4 advocacy organization in 1992 to foster political action.²¹

Rockefeller Philanthropy Advisors (RPA) was founded in 2002 as a 501c3 philanthropic services organization that advised and managed giving by individuals, families, foundations, and corporations. RPA also served as a fiscal sponsor for charitable projects, providing governance, management, and operational infrastructure support. The organization's approach was grounded in the philosophy of John D. Rockefeller, Sr., who in 1891 committed to manage his philanthropy "as if it were a business."²² A major part of RPA's work was philanthropic thought leadership. The firm engaged in research, published papers, and created coalitions to help donors and foundations understand issues and share best practices. RPA's founding belief was that philanthropy should be thoughtful, effective, and also fulfilling.²³

Other types of institutions were emerging to support the budding philanthropy and social innovation field. Hundreds of academic centers for social innovation and social enterprise sprouted at universities. A new U.S. quarterly publication, Stanford Social Innovation Review (SSIR), was launched in 2003 as a place for donors, changemakers and academics to share insights and foster new ideas, while The Chronicle of Philanthropy had provided industry news and analysis since 1988.

Arabella's First Decade: National Expansion

Originally incorporating his firm under the name Arabella Philanthropic Investment Advisors, Kessler rebranded to Arabella Advisors and set out to provide strategic advice to clients, working with financial advisors and family offices to connect with high-wealth donors. By early 2007, Kessler had enlisted environmental conservation colleague and family friend Bruce Boyd, to join Arabella as co-principal. Boyd had been running a chapter of The Nature Conservancy in Chicago for more than a decade, and he was ready to "jump into something entrepreneurial."²⁴ His personal and professional connections formed a powerful early pipeline for potential clients among business leaders, family wealth management offices, and family philanthropies.

Some of Arabella's earliest clients included individuals and families who were new to philanthropy. They wanted to make an impact but did not know where to begin or how to assess which nonprofits were best. Many had no interest in establishing cumbersome foundations – they wanted to focus on funding charitable causes and preferred to outsource the mechanics of grantmaking. According to Boyd, these donors "...had a lot of resources and wanted to exploit an opportunity, fill a gap, collaborate with others, but they didn't want to start or manage new organizations and were not sure where to start, so they were stuck." Boyd explained a large part of Arabella's work was "...to make it easier for them to do cool stuff and to collaborate with other donors, while also bringing the spirit joy to their giving."²⁵

Arabella worked with larger institutional foundations as well, including the Bill & Melinda Gates Foundation and the Hewlett Foundation. Arabella supported leaders on the Gates Foundation's Global Health team with research on a key grantee's role in public policy advocacy. That assessment would inform Gates's future grant-making decisions, and it provided Arabella with a view into working with program officers at a large institutional foundation. It also laid the groundwork for an important service Arabella provided to larger foundations, which offered efficient ways of processing large funding gifts and distributing them rapidly in smaller grants to multiple nonprofits working on time-sensitive advocacy efforts around the globe.

Arabella's early experiences set the stage for the firm to expand its grantmaking support services. Its efforts

to help “unstuck” individual and family donors by creating collaborative funding mechanisms proved to be a most fortuitous experiment.

Pioneering New Approaches for Supporting Fiscal Sponsors

Several philanthropists had expressed interest in accessing efficient, low-cost vehicles to help incubate and support new nonprofit projects operating in the field. To meet this demand, Kessler and Boyd worked with other leaders to establish the New Venture Fund in 2006 as an independent 501c3 nonprofit. The initial idea was to create a nonprofit fiscal sponsorship organization through which funders and aspiring changemakers could work together to launch and advance innovative environmental conservation and global health efforts. Through this model, donors could donate funds to NVF, the fiscal sponsor. NVF provided a legal and fiduciary home to multiple nonprofit projects, all operating as part of a single 501c3 organization and sharing back-office expenses. For instance, NVF’s back-office services included administering personnel contracts and payments to project leaders; accounting for expenditures; disbursing and tracking grants; and ensuring all activities were conducted in legal compliance. NVF brought deep functional expertise in HR, financial management, regulatory compliance, and other disciplines – functions that many mission-driven nonprofit leaders were happy to outsource.²⁶

The relationship between NVF and Arabella was unique and evolved over time. Initially, NVF (a 501c3 nonprofit) hired Arabella (a B Corp certified LLC) to provide a core set of operational support services to administer various nonprofit projects. As the cost efficiency of this model became clearer and was verified by third-party evaluators, NVF extended its contract with Arabella. Later, NVF would also contract with Arabella separately to provide additional, customized support services to projects on an as-needed basis. The arrangement proved popular among both donors and changemakers. It enabled project leaders to focus on advancing their missions on the ground while delegating burdensome administrative tasks to NVF. It also gave donors a simple, efficient way to quickly fund causes, as well as pool resources and collaborate with other donors and changemakers to mount reform efforts – including at local, state, national, and global levels.

Fiscal sponsorship and donor advised funds were not new. The progressive Tides Foundation had been operating for decades offering donor advisory services and fiscal sponsorship for left-leaning donors and causes. The conservative Donors Trust had been established in 1999 to serve donors and projects on the political right. The fiscal sponsorship model has been used at least since the 1950s in fields such as the arts to enable individual artists and small theater groups to operate more effectively and efficiently.

The approach NVF and Arabella pursued, however, was different than most fiscal sponsors. Rather than employing a large number of in-house operations staff to support the varied needs of multiple hosted projects, NVF outsourced many of its administrative needs to Arabella. The system was efficient and cost-effective, as it enabled NVF to remain lean, highly flexible, and capable of managing costs associated with operating and administering a wide variety of projects – each of which needed different levels and types of services. As Arabella expanded its support to other independent fiscal sponsors, the cost efficiencies and leveraged impact grew.

Creating Value

Along with its nonprofit fiscal sponsor partners, Arabella was creating value for both donors and social change leaders by providing them with efficient, flexible means of finding each other, collaborating, and mounting social and environmental impact efforts. “The value of a New Venture Fund is its capacity to handle the operational side of grantmaking. They take money in, get money out, understand what funders need, do the reporting as needed,” explained a vice president of a major global foundation who funded multiple NVF projects. “Often, the operational side is the bottleneck for grantmakers. It’s not a lack of dollars. It’s that foundations aren’t set up to operate in the way that’s needed. [NVF] really broadens your tool kit.”²⁷

Another key contribution of NVF and Arabella Advisors was facilitating introductions, providing insight

into fields, and making connections. “Arabella introduced us to leaders and innovators and new ideas across the food landscape in the U.S. They have a pulse on what’s happening, what’s realistic and unrealistic, and they provide case examples in different regions. Connecting with advocates and community leaders was tremendously helpful,” noted the foundation leader. On the programmatic front, NVF created a space for advocates from all corners of the food system field to convene, discuss policy agendas, forge relationships, and ultimately work in more collaborative ways.

Importantly, fiscal sponsor organizations provided their donors with an option to fund projects anonymously if that was their preference, whether due to their religious norms or other reasons. Some projects housed at NVF advanced causes that were socially or politically controversial, such as gun safety and reproductive rights, which some donors did not want to be publicly associated with and receive unwanted attention, such as social media attacks and physical security threats. Other philanthropic organizations, such as the progressive Tides Foundation and the conservative Donors Trust, provided these same options to their donors.

Gaining Competitive Advantage

By 2015, NVF had grown to \$250 million, supporting activities across dozens of fields and hundreds of projects and grantees. NVF made grants in all 50 states as well as dozens of countries and was well-positioned to fund grassroots campaigns and support smaller, proximate nonprofits. At this point, the scale of NVF’s operations had grown substantially. Given the diversity of issues, the complexity of projects, and the multiple stages of causes housed within NVF, some donors expressed a desire for additional fiscal sponsorship fund opportunities so they could collaborate and focus with changemakers in specific fields. So, two new funds were established in 2015: The Windward Fund and the Hopewell Fund, both 501c3 organizations.²⁸ The Windward Fund was designed specifically to support environmental work. The Hopewell Fund was designed to support efforts to quickly launch innovative social change projects. Similar to NVF, these organizations enabled donors to efficiently and effectively support and collaborate with different organizations and groups, and employed Arabella Advisors as their administrative partner.²⁹ [Exhibits 3 & 4]

A major area of innovation for all the funds was advocacy. “Foundations were not doing all they could legally on the advocacy front,” explained Lee Bodner, who had taken the reins as NVF president in 2015.³⁰ In 2009, the Sixteen Thirty Fund was established as a nonprofit 501c4 organization. Funds given to Sixteen Thirty Fund could be used to support nonprofit projects that involved advocacy and lobbying – activities that were restricted for 501c3 (charitable) nonprofits. The Sixteen Thirty Fund supported efforts such as the Media Democracy Action Fund, amplifying its work through lobbying and policy activities which could only be conducted by 501c4 entities.

The approach of these fiscal sponsors was different than the other donor advisory group working on similar issues. Progressive publisher and philanthropic innovator Chuck Savitt had served on the boards of both the Windward Fund and Tides Center. He observed that Windward Fund’s purpose was to create a platform through which donors could support environmental causes and focus on servicing their needs, rather than to *lead* on those issues. Whereas, Savitt explained, “Tides chose projects that they believed would advance the core economic, racial, and environmental issues that are core to its mission. Tides sometimes was able to provide other services for its sponsored projects, but it often did not have the resources.”³¹

Strategic Shifts

For the first 10 years, Kessler and Boyd led Arabella primarily as a philanthropy strategy firm. They worked with a range of clients and built up the staff to 100 consultants by 2015. Growing opportunistically, the fiscal sponsorship vehicles such as NVF had emerged as a popular and flexible solution, and supporting them provided a source of revenue to Arabella that would soon outpace the advisory side of the business. This created tension in the firm. Kessler and Boyd were concerned that the rapid growth of the separate nonprofit funds might become a distraction from what they saw as Arabella’s core business: strategy advising.

“Early on, the strategy advisory business was our ‘core’ business. We didn’t really understand at the time how the fiscal sponsorship business would play out or fully appreciate the power of that tool. We needed to learn over time how this all fit together,” explained Boyd.³² It also potentially weakened their ability to win clients and new business in the increasingly competitive philanthropy client services field.

Until this point, all of this growth was led and managed by Kessler and Boyd. They’d brought on a few key leaders to oversee business functions, including a CFO, general counsel, and other leaders to oversee the support of the fiscal sponsorship funds. Despite some division of functional expertise, Arabella had a relatively flat organizational structure, and the firm was run largely by consensus. This approach was highly conducive to innovation and emergent strategy but had challenges.

About seven years in, Kessler and Boyd started to think about what the firm leadership and management should look like in year 10. They committed to searching for and hiring a CEO who could bring management experience to the firm and help them grow. Kessler and Boyd were also ready to step back from day-to-day management of the firm. They knew that if Arabella were going to reach its full potential as a business and its brand promise as a B Corp, it would need new and different executive leadership to reach the next level.

Hiring a CEO

In 2015, Kessler and Boyd hired Sampriti Ganguli as the firm’s first CEO. Ganguli was a seasoned executive with deep leadership and management consulting experience at large professional services companies. She joined Arabella after 14 years with the Corporate Executive Board (CEB), where she helped lead a dramatic growth period as CEB went public in 1999. As executive director of CEB’s legal, risk, and compliance practice, Ganguli led operations, strategy, marketing, and new business development. She previously was managing director of CEB’s practices in government and finance.

Ganguli had no professional experience in philanthropy or social sector consulting; she’d never worked for a nonprofit. This did not matter to Kessler and Boyd. They’d spent their careers in advocacy and government, and they believed what Arabella needed was a proven business leader who understood how to manage and grow a professional services consulting firm. Ganguli turned out to be well-suited for the job.

When Ganguli started, Arabella was doing \$15 million in revenue and employed 100 consultants – a much smaller company at the time than many of the business lines she had run at CEB. Her mandate was to develop and operationalize a growth strategy for Arabella. She set an ambitious growth goal: Triple Arabella’s operating revenue within 5 to 7 years. The transition would involve making changes across every part of the business. Ganguli assessed Arabella’s competitive positioning, its operational capabilities across multiple lines of business, and drivers of revenue growth. She also immersed herself in Arabella’s organizational culture, values, leadership styles, and practices.

Assessing the Market for Growth Opportunities

As Ganguli was considering taking the CEO role at Arabella, she conducted research to understand more about the philanthropy marketplace. She concluded that many of the dominant philanthropy consulting firms were focused on strategy, but they lacked implementing capacity and didn’t offer vehicles for donors to collaborate around causes. Whereas Arabella’s work to support nonprofit operations, grant processing, and advocacy, as well as strategy, were potentially differentiating. “I believed there was more to be gained looking at social movements, and Arabella was willing to look across issue areas,” recalls Ganguli. She also had worked at Deloitte Consulting earlier in her career and noted that consulting firms that provided implementation services were far larger than their strategy counterparts.

Ganguli observed that Arabella prioritized its strategy advisory work and focused less on its Partner Solutions implementation line of business with nonprofit fiscal intermediaries and other clients – even though the

implementation market was growing rapidly and afforded economies of scale. “We were strong in implementing services supporting the fiscal sponsors – we had a tech-enabled solution and were way far ahead of the market,” explained Ganguli. “But there was a bias in the company. We tended to prize ‘strategic thinking’ or the ‘consultative mindset.’ There was very little appreciation for the fiscal sponsorship business – almost a disdain for it,” recalls Ganguli. “So I wanted to get smart on fiscal sponsorship and see how to put more gas in the tank.”

As she collected more data from clients and other sources, Ganguli was soon convinced that Arabella’s greatest growth potential lay in services supporting fiscal sponsorships. So she started to implement several changes to lay the groundwork for scaling that side of the business while also restructuring the other lines of business so the firm as a whole could operate more efficiently and effectively. She initiated changes such as:

1. Systems upgrades: Ganguli directed the team to make significant investments in enhancing Arabella’s HR and finance systems and to build out technology competencies to support the implementation sides of the business. “We also started to recruit differently, looking for financial acumen and operational excellence,” explains Ganguli. This led Arabella to make different choices, such as around operating locations. They opened an office in Durham, NC, for instance, where “...there were several vocational-technical schools and also fewer social sector jobs, so we could be an employer of choice,” explained Ganguli. This not only reduced costs but conferred competitive advantages for Arabella as it would become increasingly difficult for other firms to replicate what they were doing.

2. Reorganization and process improvements: Like most startups, Arabella operated as a flat organization with a consensus-driven culture. “Everyone had a say in every decision, and there was pride in that,” recalled Ganguli. She noted (with a wry smile) that no less than 50 Arabella staff interviewed her during the CEO recruitment process. Ganguli appreciated the inclusive culture, but it also was highly inefficient. “I wanted to move beyond that.” Ganguli created clearer lines of management authority and functional accountability. She led with a more structured style, establishing hierarchies and embracing a disciplined approach, setting growth targets, instituting KPIs (key progress indicators), and using these quantitative metrics to catalyze growth – and hold staff accountable for achieving them.

She was especially focused on a key constraint to Arabella’s growth: Employing enough qualified people to develop new business. To date, Kessler, Boyd, and a handful of other senior leaders, such as Gwen Walden, Shelley Whelpton, and Jessica Love, had handled most sales and client relationship management. So Ganguli created a new role, Chief Revenue Officer (CRO), to build, manage, and coach sales teams. The CRO needed to know how to use Salesforce, develop a pipeline, and create new content. Importantly, the CRO needed not to be intimidated by the firm’s senior leaders.

The Art and Science of Leadership Transitions

Ganguli was acutely aware that the leadership transition to an outside CEO was an important and sensitive part of her role. Ganguli was taking the wheel of a company from the founders. While Kessler and Boyd had gladly stepped down from their day-to-day management roles, they still maintained ownership of the company – and they wanted to continue to build relationships with and advise clients. Further, on a more fundamental level, their identities were inextricably fused with Arabella. It was, after all, their legacy.

At Ganguli’s suggestion, Kessler and Boyd agreed they needed to establish clear lines of authority while also giving latitude to share power in some instances. So they engaged an executive leadership coach who helped them divvy up lines of authority and set clear boundaries across a range of decisions – from setting corporate strategy and opening new lines of business, hiring and firing staff, and signing contracts, and more. For instance, typically, a CEO would have fiduciary responsibility and authority over organization strategy, setting sales goals, hiring and firing staff, and overall management of the firm. Ganguli had most of these rights. But one thing the founder-owners requested was that Ganguli not make senior talent separations without their input. “They really cared about our people – many of whom Eric and Bruce had convinced to take a chance and join the firm,” said Ganguli.

Of the numerous changes enacted early in Ganguli’s tenure, drafting clear decision-making rights was among the most consequential. It helped Arabella avoid “founder’s syndrome” – the fate enterprises suffer when a founder struggles to cede power to a new leader. “I was impressed with Bruce and Eric and how willing they were to cede control – especially in places that mattered a lot to me and a little to them,” reflected Ganguli. “Very few founders are self-aware enough to know what those [boundaries] are.”³³

The successful leadership transition fostered a collaborative and productive working partnership. Kessler, Boyd, and Ganguli had highly complementary leadership styles. Kessler was the classic entrepreneur – visionary, intuitive, opportunistic, and strategic. Peers in the field described him as “highly innovative,” “entrepreneurial,” and a “pioneering industry disrupter.” Boyd, meanwhile, was a steady hand who embodied Arabella’s welcoming culture and brought a practical Midwestern sense to ground some of Kessler’s more ambitious ideas. Ganguli’s approach was well-suited to complement Kessler and Boyd; she was highly analytical, structured, and data-driven on one hand, but also understood the art of navigating executive leadership transitions. She invested time to understand Kessler and Boyd’s vision of the business and determined how she could shift Arabella toward greater emphasis on supporting fiscal sponsorship and implementation while focusing less on families and individuals. As a result, she was able to lead the team to where the market was already taking the firm.

Operationalizing a Fiscal Sponsorship-Focused Growth Strategy

Between 2015 and 2021, Arabella’s Partner Solutions work serving fiscal sponsors would grow to surpass all other business lines, accounting for 80% of Arabella’s \$50 million in revenues by 2021. Arabella was also laying the groundwork for several big opportunities that changed the trajectory of the business. For instance, Co-Impact launched in 2017 in the New Venture Fund with \$100 million to build “a world where all people can live fulfilling lives and systems and societies are just and inclusive.”³⁴

Ganguli also focused on building out Arabella’s support for advocacy work, including with the 501c4 Sixteen Thirty Fund. Here, competition was slim, real impact was possible, and Arabella had a unique advantage. By 2020, NVF employed hundreds of policy influencers, grassroots organizers, and systems-changing social entrepreneurs while making grants and engaging in change-making in all 50 U.S. states. Providing enhanced support to projects and donors working through the Sixteen Thirty Fund could enable the fund and its partners to increase their impact even further.

The Power of Fiscal Sponsorship

Along with its nonprofit fiscal sponsor partners, Arabella was creating value for philanthropic and social change leaders by providing them with efficient, flexible means of finding each other, collaborating, and mounting social and environmental impact campaigns. Arabella was simultaneously building and expanding the market for fiscal sponsorship vehicles while serving a growing number of clients. These clients also benefitted greatly from access to the knowledge and networks of like-minded leaders that Arabella provided. With support from Arabella’s PS team, NVF, and Arabella’s other fiscal sponsor clients created value in four key ways:

I. Fostering Collaboration: The fiscal sponsors provided a unique forum for donors to collaborate with one another and with other leaders from across the nonprofit, business, and public sectors to tackle shared social and environmental challenges.

Example: [Co-Impact](#) was a global philanthropic collaborative committed to advancing gender equality and women’s leadership that operated as a fiscally-sponsored project of the New Venture Fund. The Foundational Fund was Co-Impact’s first fund, which brought together institutional and individual donors to support systems change in the areas of health, education, and economic opportunity in the Global South. This fund provided large, long-term, flexible grants (typically US \$5-20 million for five to six years) and non-financial support to organizations and coalitions across Africa, Asia, and Latin America. Co-Impact convened more than 40 funders from 16 countries through the fund and pooled hundreds of millions of dollars.

II. Project Incubation: The fiscal sponsors enabled mission-focused individuals and groups to launch new initiatives without having to create a new nonprofit organization.

Example: With the number of natural disasters increasing worldwide, the [Center for Disaster Philanthropy](#) was incubated at NVF by a group of concerned changemakers who recognized the need for greater focus and stronger coordination among philanthropists committed to disaster response and recovery. Initially hosted in 2010 as a project of NVF, the Center later spun off as an independent 501c3 nonprofit that helped coordinate philanthropic response to disasters around the globe.

III. Issue Advocacy: Advocates could operate with agility and effectiveness and receive funds from donors interested in supporting grassroots advocacy and lobbying while remaining legally compliant.

Example: The Fines and Fees Justice Center ([FFJC](#)) was formed to catalyze a movement to create a more equitable justice system by eliminating criminal legal fees and making fines proportionate to the offense. The center's co-founders incubated the project at NVF so they could receive operational support and quickly set up a structure to secure funding and launch at a national level. FFJC engaged in intensive advocacy in four states, organized national campaigns, provided information on reform through its clearinghouse, and fostered collaboration among advocates, activists, and justice system stakeholders around the country.³⁵

IV: Innovation Acceleration: Funders could quickly disburse funds and roll out innovative solutions to emerging challenges while rapidly iterating to strengthen programs and campaigns when they supported projects through fiscal sponsors.

Example: The James Beard Foundation Food and Beverage Industry Relief Fund provided financial assistance to small, independent restaurants to keep them from going out of business due to the COVID-19 pandemic. The goal was to support workers, sustain local businesses, reduce the financial impact on communities, and mitigate other economic consequences of COVID-19. With support from individual and corporate donors, the fund provided \$15,000 each to 312 restaurants, totaling \$4.68 million in swift economic relief grants.

The partnerships with NVF and other funds would become a key differentiator for Arabella. The funds provided a mechanism for multiple donors to pool money, engage in collaborative grantmaking, and efficiently distribute large amounts of funds in smaller increments to a variety of nonprofits. There was growing demand from donors for this fiscal sponsorship support, and NVF and other funds provided efficient, seamless, client-focused administrative support. The funds ultimately helped unlock billions more in philanthropy that most likely would not have been awarded, because foundations and individuals lacked the capacity in-house to identify project leaders and provide such rapid, flexible funding through conventional foundations or family offices.

Arabella shifted its strategy to align with philanthropy's growing appetite for building movements and engaging in advocacy and political work. Donor demand for fiscal sponsorship services was rising, as foundations often felt constrained by traditional funding vehicles. Philanthropy had gone well beyond grantmaking, and Arabella had played a seminal role in shaping that trend.

Social and Political Shifts (2015 – 2021)

Seismic events in the United States and worldwide sparked new waves of social and political activism by 2015. Then-presidential candidate Donald Trump's Make America Great Again (MAGA) campaign had unleashed a conservative movement on the far right, and the progressive left had revved up in response. The #MeToo movement against sexual assault had erupted. The right to same-sex marriage was won for LGBT community members with the landmark Supreme Court case *Obergefell v. Hodges*, leading to backlash from conservative and religious camps. The 2018 Parkland High School shooting massacre in Florida sparked a new wave of national gun control activism led by March for Our Lives and supported by Everytown for Gun Safety and Brady Campaign. At the same time, the NRA continued to defend gun rights at the federal level and in most state legislatures – and at the polls. Then, the COVID-19 pandemic erupted at the start of 2020, soon

followed by the police killing of George Floyd in the United States, which supercharged the Black Lives Matter movement and sparked a powerful racial reckoning. Foundations and corporations quickly shifted funding (and offered platitudes) toward equity and social justice. For the first time in the 21st Century, awareness of systemic racism, social health disparities, and other injustices had moved into mainstream American consciousness.

Working with Arabella and its fiscal sponsor partners provided an immediately actionable way for donors to put money into causes. Through the four independent funds serviced by Arabella, philanthropists could make grants, fund advocacy campaigns, build coalitions, launch collective impact initiatives, and mount movements to advance causes. They could easily access efficient and innovative giving channels through these funds, as well as connect with other donors to pool resources, share strategies, and align for impact. Importantly, donors who preferred to give anonymously could do so.

This was a double-edged sword for Arabella. While anonymous giving was attractive to some donors, Arabella became the face of their money that flowed through fiscal sponsors it supported. Arabella came under conservative attack, and articles such as “The Massive Progressive Dark-Money Group You’ve Never Heard of” in *The Atlantic* brought unwanted attention. Ganguli defended the company and the fiscal sponsor nonprofits it supports, noting that their philanthropic, nonprofit, and advocacy activities were conducted fully in accordance with all federal, state, and local laws and regulations.³⁶

The Competition Stiffens

Within this increasingly polarized socio-political context, Arabella was confronted with a rapidly expanding field of rivals. Competitors in the fiscal sponsorship and donor advising arena had grown in size and influence. By the early 2020s, Tides had mobilized more than \$4 billion for social change and supported more than 1500 fiscally-sponsored projects.³⁷ It concentrated on advancing racial equity and social justice in the wake of the U.S. racial reckoning sparked in 2020. Tides Network CEO Janiece Evans-Page’s vision was to galvanize Tides’ vast network of “donors and doers” to shift power and strengthen the capacity of proximate (local) leaders who were closest to the issues in their communities. “Our fiscal sponsorship work isn’t just to transact fees; it’s about working with community partners to strengthen their power and transform systems,” explained Evans-Page.³⁸ Rockefeller Philanthropy Advisors (RPA) had also facilitated more than \$4 billion in grantmaking. They had advised and managed more than \$500 million in annual giving, including serving as a fiscal sponsor for more than 100 projects.³⁹ Meanwhile, new entrants poured onto the field, including firms such as Borealis, Global Impact, Panorama, and RLF. [*Exhibits 5&6*]

Within the strategy consulting field, Bridgespan had grown to more than \$118 million in annual revenues by providing strategy consulting and leadership development services to a range of clients, including nonprofits, foundations, investors, philanthropists, and corporations.⁴⁰ Among the donors whom Bridgespan advised was billionaire MacKenzie Scott (former wife of Amazon founder Jeff Bezos), who pursued a “trust-based” approach to philanthropy by quickly donating nearly \$13 billion in massive multi-year grants to community-based nonprofits – without requiring formal applications or cumbersome reporting.⁴¹ (A nonprofit, Bridgespan also received a \$40 million grant from Scott to support the firm’s growth and knowledge-sharing programs.⁴²) FSG had grown to 150 employees and \$24 million in annual revenues and had launched initiatives to advance practice areas such as systems thinking, collective impact, corporate shared value creation, and workforce solutions for economic mobility.⁴³ [*Exhibit 6*]

Meanwhile, the Center for Effective Philanthropy had also built out an advisory practice while providing services for individual and institutional donors to help them collect and use data to improve the effectiveness of their giving; CEP also focused on sharing insights and played an influential convening role.⁴⁴ And a slate of new boutique consultancies had come online – many founded by former foundation and strategy firm staff. Open Impact, for instance, catered to Silicon Valley’s tech billionaires and big foundations, and another woman-

owned consultancy, Afton Bloom, managed Melinda French Gates' Pivotal Ventures investments among other philanthropic clients. Plus, new consultancies cropped up to provide strategy and implementation services specifically to leanly-staffed foundations, such as Boldly Go.⁴⁵

Arabella was no longer charting new courses in an open ocean. It was now navigating choppy seas filled with both competitors and potential partners.

Preparing for Next Level Growth

Arabella's senior leadership team had grown increasingly aware that the firm would require substantial working capital. They wanted to continue to attract top talent, strengthen services, and grow beyond \$50 million. So in 2019, Kessler and Boyd began searching in earnest for an investment partner. They quickly ruled out strategic acquirers and traditional private equity investors who placed a premium on profitability and focused on finding an investor with values that closely aligned with Arabella's corporate purpose and willingness to commit to a long-term partnership. They ultimately agreed in 2020 to sell a majority stake to Concentric Equity Partners (Concentric), an investing arm of the private asset management firm and family office Financial Investments Corporation (FIC). Boyd and Kessler had a longtime relationship with the family that owned FIC, which was founded by the father-daughter duo Harrison and Jennifer Steans. "Every investment we make has to have an impact," explained Jen Steans. "Arabella had a great financial model but also a strong impact. It was our first B Corp investment." Concentric's Ken Hooten noted, "We were perfect partners. The Steans family trusted and respected Bruce and Eric; they are family guys, our skills sets are complementary, and our values are aligned."

Concentric took over as the company's majority owners, while Ganguli, Boyd, and Kessler all remained on the Board of Directors. While this move involved ceding control and most ownership of the company, Kessler and Boyd did it to fuel further growth and a more significant impact. The decision had paid off by 2023, making possible the acquisitions of Redstone and Kiwi, which occurred under the leadership of the new CEO, Rick Cruz, who was promoted from Chief Revenue Officer after Ganguli stepped down in 2022.

Arabella and The Future of Philanthropy

As of January 2023, Arabella had grown to 425 employees and more than \$60 million in revenues, and it was facilitating some \$5 billion annually in philanthropy and impact investing. With working capital from its new investor, Concentric, Arabella was able to make a bold growth move by acquiring two smaller firms, Kiwi and Redstone. The philanthropy strategy consulting and professional services industry was now rife with competition, and at Arabella, both of these lines of business had thin margins. While the Partner Solutions business could increase returns through economies of scale, the strategy business could not do so as easily.

As Arabella's leadership team considered the evolving philanthropic field, they strategized about ways to build the business and create more impact. They knew a solid business strategy was not the same as operational effectiveness. A strategic business didn't compete to be "best." It competed to be *unique*. A good strategy involved creating value by choosing a unique competitive position supported by specific activities that were very difficult for competitors to match.⁴⁶ Simply operating the PS business line more efficiently than rivals was not the same as staking out a unique competitive position and creating value.

Arabella's leadership was confident that the firm's large scale and deep relationships put it out of reach for most competitors. But what about the threat of new entrants? Arabella's target customers – those new donors who wanted to do philanthropy differently – were eschewing traditional private foundations and instead following Arabella's lead in establishing LLC "giving platforms." The Chan Zuckerberg Initiative, Laurene Powell Jobs' Emerson Collective, and Lukas Walton's Builders Initiative had LLC components, and they could build fiscal sponsorship and collaborative funding opportunities quite easily. Traditional private foundations could easily modernize their approach: The Rockefeller Foundation had launched RF Catalytic Capital to

enable “impact investors and all types of funders and others to combine resources” and manage projects in a more “streamlined and cost-effective manner.”⁴⁷ Would Arabella’s best customers today become its biggest competitors tomorrow?

Another asset that set apart Arabella from competitors was the goodwill, vast networks of partners, and importantly, social impact knowledge that it had built up over nearly two decades of leadership supporting thousands of donors and changemakers in the field. As one former client observed, “[Arabella] has access to one of the largest untapped resources of knowledge in social impact. I think a next chapter of their social business is to mine the unending knowledge that exists among those thousands of projects.”⁴⁷

The leadership team also reckoned with the increasingly polarized culture wars unfolding as the United States headed into the 2024 presidential election cycle. Donors had already begun pouring millions into campaigns to secure electoral victories and advance policy, legislative, and legal reforms at every level of government. The future of American democracy lay in the balance, and Arabella sought to be in the best position possible to channel those funds for good.

“The future of philanthropy is collective,” said Michael Madnick, a senior philanthropy advisor and former Bill & Melinda Gates Foundation executive.⁴⁸ Given its track record, Arabella was in prime position to propel this next wave of philanthropy innovation forward.

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Ganguli, S. (Senior Advisor and fmr. CEO, Arabella Advisors; May 3, 2023). Personal interview.

Hooten, K. (Managing Partner, Concentric Equity Partners; April 20, 2023). Personal interview.

Kramer, M. (Co-Founder, FSG; May 30, 2023). Personal interview.

McDonald, M. (Environmental Program Director, Walton Family Foundation; June 22, 2023). Personal interview.

Madnick, M. (Senior philanthropy advisor and former Bill & Melinda Gates Foundation executive; May 17, 2023). Personal interview.

McLeod Grant, H. (Founder, Open Impact; May 31, 2023). Personal interview.

Mellen, P. (Board member, Tides; June 12, 2023). Personal interview.

Savitt, C. (fmr. Winward Board member; July 27, 2023). Personal interview.

Steans, J. (Board Chair, Arabella Advisors; May 31, 2023). Personal interview.

Vice President of a Major Foundation (Anonymous; June 21, 2023). Personal interview.

Whelpton, S. (Senior Managing Director, Arabella Advisors; July 7, 2023). Personal interview.

Official Publication Citation: Business for Impact at Georgetown University's McDonough School of Business. (2023). Arabella Advisors: Built for Impact at Scale. Washington, D.C.: Georgetown University.

Acknowledgments

The Georgetown case study preparation team thanks Arabella Advisors founder Eric Kessler and senior advisor Sampriti Ganguli for agreeing to participate in this case study, and for providing the financial support to Georgetown Business for Impact that enabled us to research and publish it. We also thank the many Arabella and New Venture Fund stakeholders who provided input and participated interviews for the case, including Bruce Boyd, Rick Cruz, Steve Sampson, Shelley Whelpton, Lee Bodner, Chris Hobbs, and investors Jen Steans and Ken Hooten. Georgetown Business for Impact also recognizes the philanthropic and social change leaders who participated in interviews and contributed to our understanding of the growing field of fiscal sponsorship and Arabella's place in it. We thank Bill Clarke, Moira McDonald, Peter Mellen, and Chuck Savitt. And we extend sincere appreciation to our colleagues who contributed important insights to inform this case: Mark Kramer, Janiece Evans-Page, Heather McLeod Grant, Brian Trelstad, Kyle Peterson, Valerie Bockstette, Neerja Bhavaraju, and Erin White. Finally, we thank our Georgetown dream team-mates Ladan Manteghi, Matt McKenna and Bill Novelli for their leadership and thought partnership. And we wish our student research associate Phoebe Sanderson great luck in her future career.

**Arabella Advisors Case Study
Exhibits**

Exhibit 1: Arabella Timeline: 2005-2023

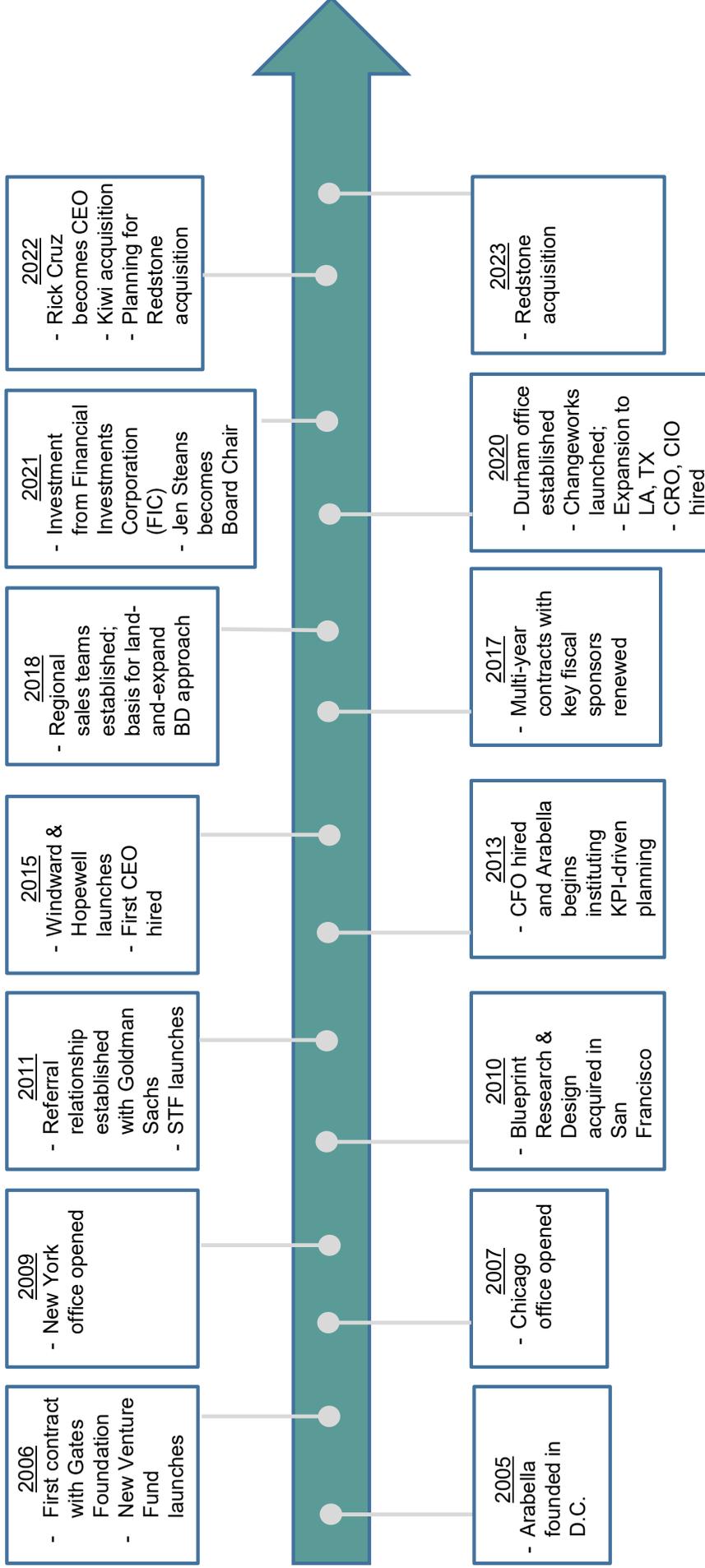
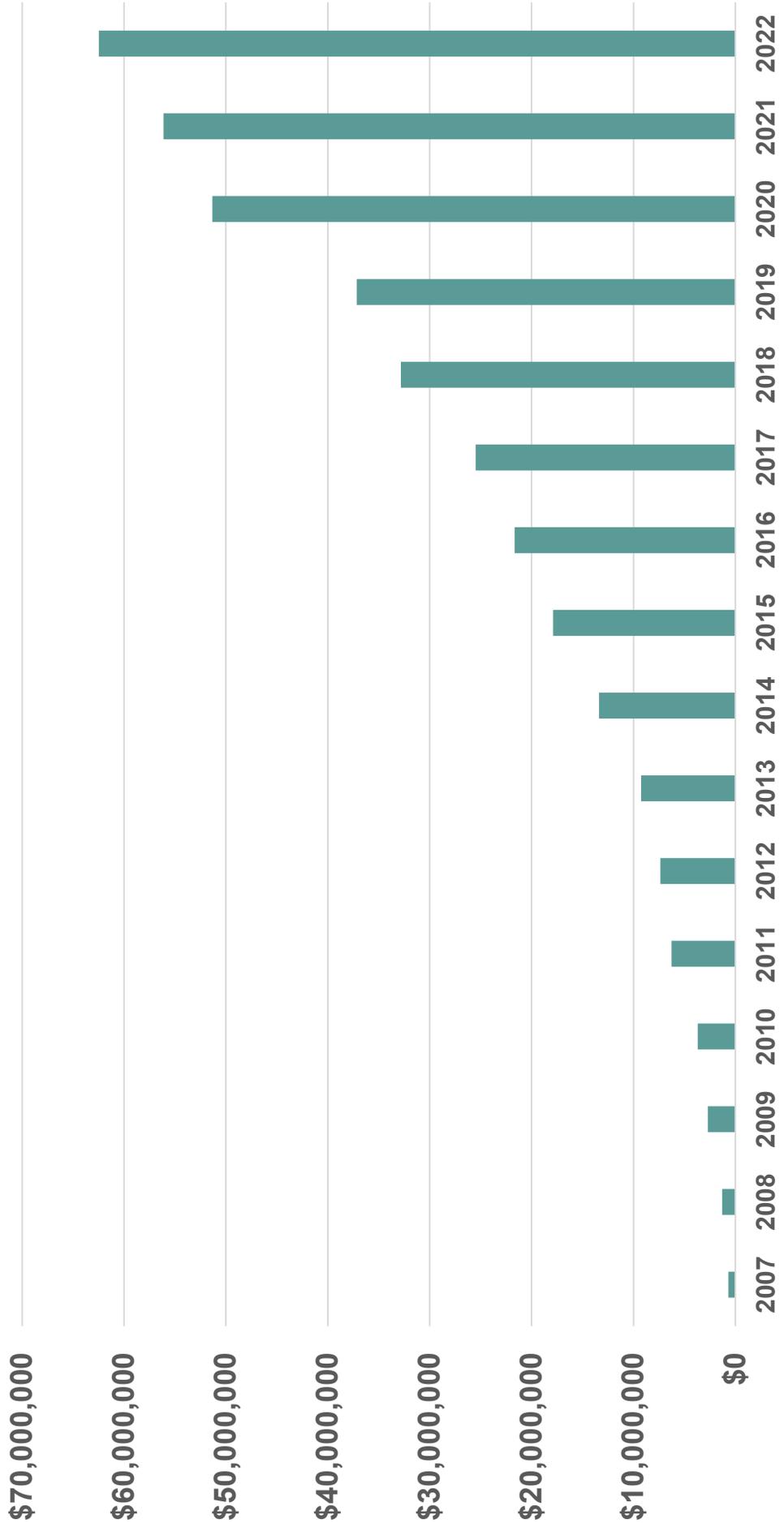


Exhibit 2: Arabella Revenue Growth



Source: Arabella Advisors

Exhibit 3: Arabella's Largest Nonprofit Clients

Client Name and Type	Year Established	Description	Sample Projects/Campaigns	Leadership & Staff (2023)	Grantmaking (2021)
New Venture Fund	2007	Supports a wide range of projects aimed at making the world more equitable and fair for everyone. Executes some of philanthropy's most complex domestic and international projects, partnering with many of the nation's leading foundations.	Climate Justice Resilience Fund; Type 1 Diabetes Camp; AAPI Civic Engagement Fund, Andes Amazon Fund	Lee Bodner, President Shannon Scott, CFO Andrew Schultz, Outside General Council, Lessie Askew, CPO	\$329,496,928
Hopewell Fund	2015	Helps donors, social entrepreneurs, and other changemakers quickly launch new initiatives. Supports domestic and international initiatives aimed at advancing public good and achieving equity.	Hollister Confidence Project; Learning Together Project Fund, Paid Leave for All	Overseen by an independent board of directors	\$65,385,986
Windward Fund	2015	Seeks to build a more impactful environmental movement by connecting people across diverse geographies, sectors, and communities, enabling them to share expertise and resources.	Resilient Foundation; Rewiring America; The Heartland Fund	Lynn McNair, President	\$72,403,293
Sixteen Thirty Fund	2009	A 501(c)(4) social welfare organization – partners with a range of donors to support progressive causes and campaigns fighting for economic equity, affordable health care, climate solutions, racial justice, voter access, and other essential social change goals.	Americans for Tax Fairness Action Fund; Pipeline Fund; Rural Victory Fund; Galvanize Action	Amy Kurtz, President Raul M. Alvililar, Chair, Board of Directors	\$107,435,360

Source: Arabella Advisors

Exhibit 4: Grantmaking by Nonprofits Arabella Supports

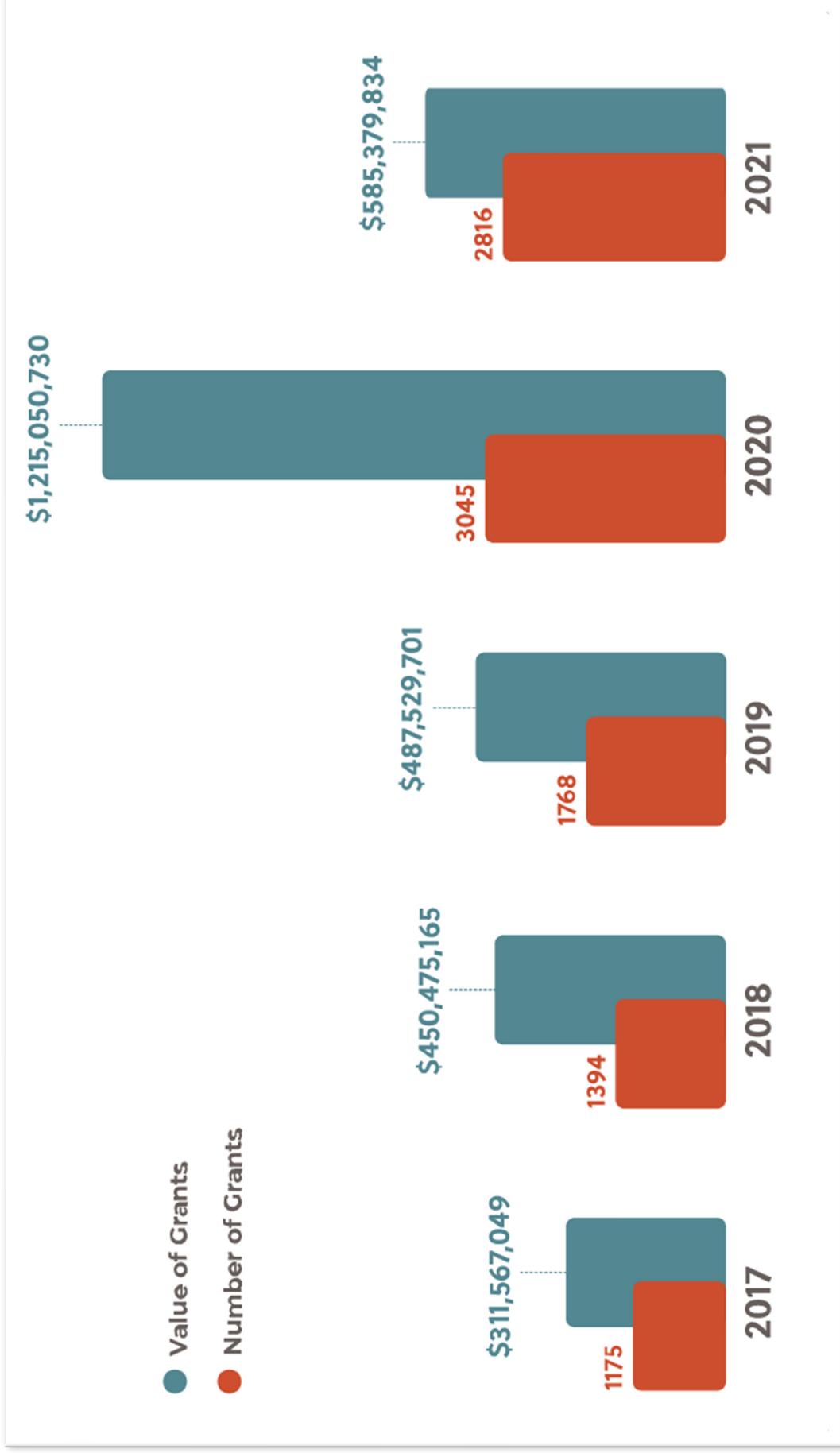
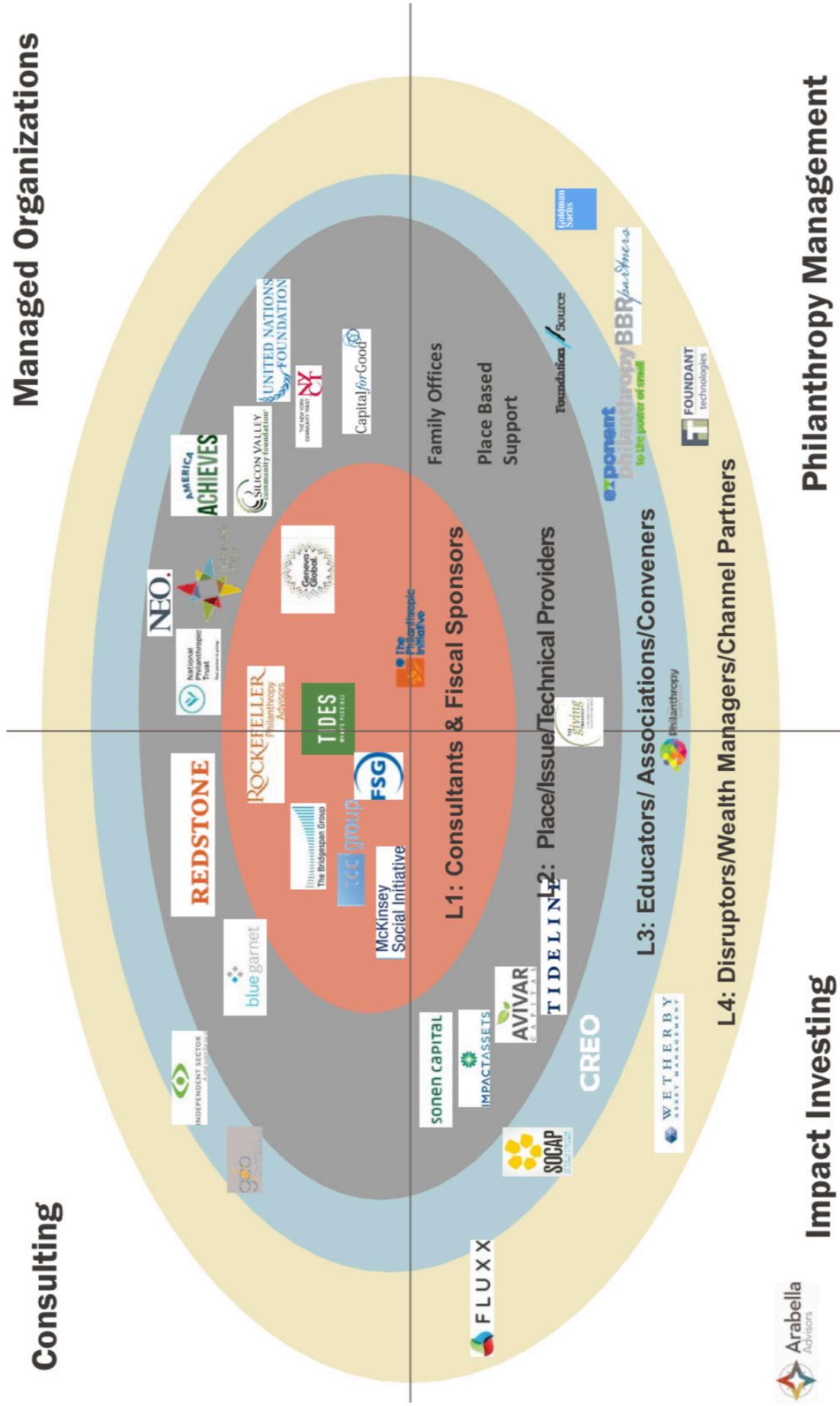


Exhibit 5: Partners & Players in the Philanthropy Services Segment (2021)



Source: Arabella Advisors

Exhibit 6: Revenue of Arabella, the Funds it Supports, and Competitors

Organization	Year Founded	Structure	Revenue (\$m)					
			2005	2008	2011	2014	2017	2020
Consulting Firms¹								
Arabella Advisors	2005	For-profit		1.3	6.2	13.4	25.5	51.5
The Bridgespan Group	1999	Non-profit	8.6	19	23.9	21.8	27.6	43.1
FSG ²	2000	Non-profit		9.2	14.8	23.3	19.6	16.9
Fiscal Intermediaries³								
New Venture Fund	2006	Non-profit		6	36.5	179.4	358.9	975.5
Sixteen Thirty Fund	2009	Non-profit			.1	16.5	79.6	389.7
Hopewell Fund	2015	Non-profit					130.6	152.4
Windward Fund	2015	Non-profit					12.7	158.6
Tides Foundation	1976	Non-profit	90.2	114.4	96.5	155.9	298.4	1,066.5
Donors Trust	1999	Non-profit	3.3	11	40.1	67.9	113	360.2
Rockefeller Philanthropy Advisors	2002	Non-profit	43.2	51	85.4	161.7	280.8	424.6

¹Figures for nonprofits The Bridgespan Group and FSG include program service revenue only

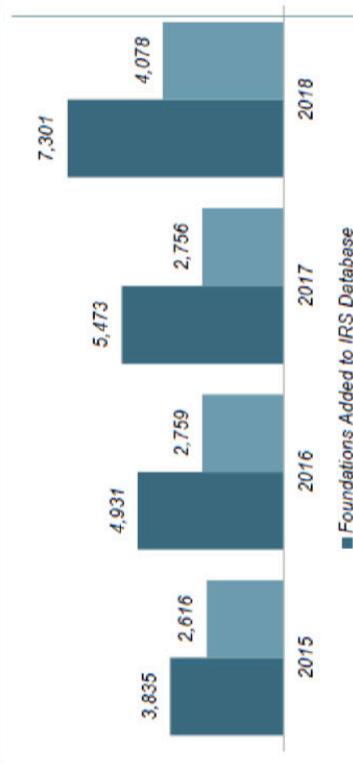
²FSG converted from for-profit in 2005

³Figures include all revenue sources, including contribution revenue and program service revenue

Exhibit 7: Marketplace Analysis from Arabella Advisors (Business of Arabella 2022)

\$471B	\$88.5B	\$1.3T	\$160B	\$34.7B	3,204	\$144.2M	\$715B	\$5B
Total Giving ⁽¹⁾	Giving by Foundations ⁽¹⁾	Total Assets of US Foundations in 2021 ⁽²⁾	Total Assets of DAFs ⁽³⁾	Grant-Making via DAFs ⁽³⁾	Billionaires Worldwide ⁽⁴⁾	Average Lifetime Giving by Billionaires ⁽⁴⁾	Impact Investment AUM ⁽⁵⁾	Dollars influenced by Arabella

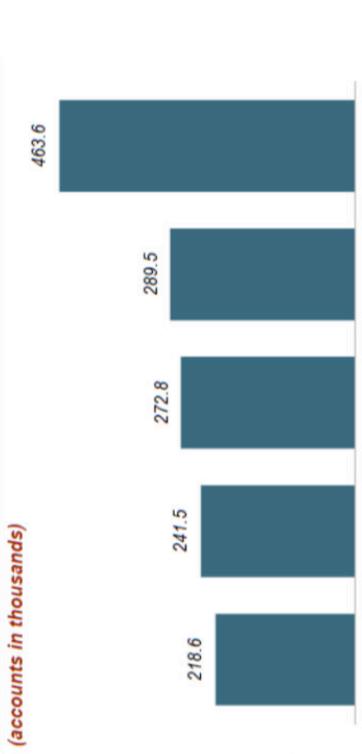
Accelerating Growth in Private Foundation Count



Source: Internal Revenue Service

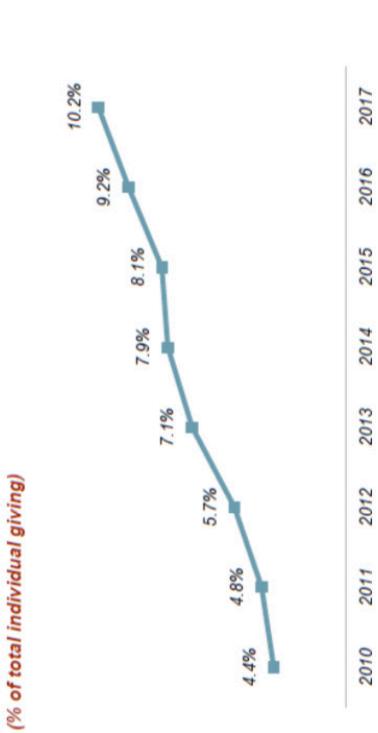
Growth of Philanthropic & Impact Platforms (Sample)

Number of DAF Accounts



Source: National Philanthropic Trust, 2019 Annual DAF Survey

Annual DAF Contributions



Source: National Philanthropic Trust, 2019 Annual DAF Survey

(1) Giving USA 2021; (2) St. Louis Fed, 2021 (FRED); (3) National Philanthropic Trust, 2021 Donor Advised Fund Report; (4) Wealth-X Billionaire Census, 2021; (5) GIIN Annual Report, 2020; (6) (7) The Giving Pledge, 2016; (8) Governance and Accountability Institute, 2018, (9) 990 Analysis of Fiscal Intermediaries

