
CAPACITY BUILDING

From Concept to Practice: Supporting
Nonprofits from the Inside Out

Workshop

August 4, 2007

10 a.m. to 1 p.m.

The California Endowment

san diego
Grantmakers
Strengthening Philanthropy

How I Ended Up Thinking A Lot About Capacity Building

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Senior Program Officer

- ❑ At The California Endowment
- ❑ My history



“Close your mouth,
Michael, we are not
a codfish”

-- Mary Poppins

Introductions & Inspirations

- Your name & organization
- Your vision of a world that is practically perfect in at least one way
- The role that nonprofit organizations play in that world

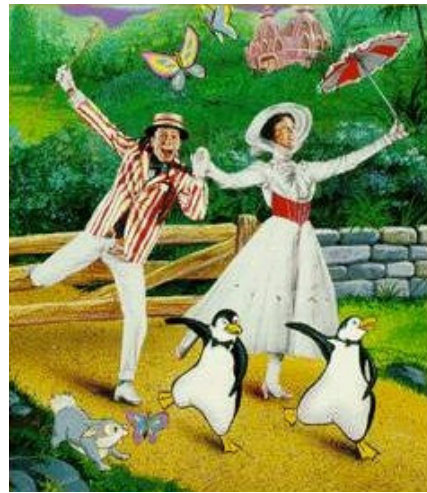


“Practically perfect people never permit sentiment to muddle their thinking.”

– Mary Poppins

Effective Organizations:

- How do you know them when you see them?
- How does a funder help them get that way?



Supercalifragilisticexpialidocious

-- Mary Poppins

“Organizational effectiveness is the ability of an organization to fulfill its mission through a blend of sound management, strong governance, and a persistent rededication to assessing and achieving results.”

- Grantmakers for Effective Organizations:
www.geofunders.org
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*A great organization is one that
delivers superior performance
and makes a distinctive impact
[relative to its resources]
over a long period of time.*

- Jim Collins, *Good to Great and the Social Sectors*
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Common Lists of Attributes of High Functioning NPOs

- Per Paul M. Connolly

- Adaptive capacity: The ability to monitor, assess, respond to, and stimulate internal & external changes
- Leadership capacity: The ability of all organizational leaders to inspire, prioritize, make decisions, provide direction, and innovate
- Management capacity: The ability to ensure the effective and efficient use of organizational resources
- Technical capacity: The ability to implement all of the key organizational functions and deliver programs and services

- Characteristics:

- A vital mission and vision
 - High quality, well-regarded, relevant programs and strategies
 - Capable and motivated leadership, management and staff
 - Clear communications and accountability
 - A well-organized board with able and involved members
 - Strategic relationships
 - Efficient operations and strong management support systems
 - Solid finances with reliable and diverse revenue streams
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Effective Organizations Have These Attributes & Abilities

From the The California Endowment Capacity Building Planning Committee, 2002

- **Planning**
 - Strategic (including stakeholder analysis and environmental scans)
 - Program/Project
 - Budget/Financial
 - Involves target populations in planning
 - **Evaluation**
 - Ability to learn from practice
 - Ability to integrate and monitor change
 - Ability to identify and use benchmarks and best practices
 - Involves target populations in evaluation
 - **Technology Capability**
 - Communication tools (including web-research capability)
 - Data collection and evaluation tools
 - Disaster recovery mechanism
 - IT plan
 - Utilizes technological capabilities to communicate effectively with constituencies, including target populations
 - **Sustainability**
 - Diverse revenue base
 - Ability to fundraise effectively from a variety of types of sources
 - Fund development planning
 - Governing body actively engaged in efforts toward sustainability
 - Engagement of community in efforts toward sustainability
 - Reserves
 - **Cultural Competency**
 - Understand and incorporate values, beliefs, and perspectives of underserved populations
 - Target populations included meaningfully in planning, implementation, evaluation, and governance
 - Linguistic competency
 - Diversity in human resources (volunteer, staff, and governance) reflective of the community served.
 - **Infrastructure**
 - Management structure
 - Succession planning
 - A place/space/location/physical plant
 - Human resource systems (for volunteer and/or paid staff)
 - Job descriptions
 - Recruitment strategies and hiring practices
 - Compensation plan (as applicable) that includes health benefits
 - Personnel policies
 - Training: New hire, in-service and supervisory
 - Retention strategies
 - Programmatic staff (volunteer or paid)
 - Record Keeping: Historic, programmatic, financial and staffing
 - **Leadership & Governance**
 - Representative
 - Mixed skills/knowledge
 - Active as leaders
 - Acts as a conduit of information to and from community
 - **Advocacy & Strategic Relationships**
 - Ability to both tell stories and use data to make a case
 - Engages community in action
 - Ability to interact effectively with policy makers, media and funders
 - Participates in networks and associations working to same end
 - Ability to collaborate effectively
 - **Community Accountability**
 - Performs community needs assessment
 - Implements plans to address those needs
 - Collects information on client satisfaction
 - Reports to community and other constituencies on goals and progress toward achieving goals
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Small Group Exercise: Identify “Positive Deviants”

Some organizations manage well despite the odds. What do they do differently than their similarly resourced peers?

“In every community there are certain individuals whose special practices/ strategies/ behaviors enable them to find better solutions to prevalent community problems than their neighbors who have access to the same resources.”

- www.positivedeviance.org
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Mechanisms

- Training
- Coaching
- Technical assistance
- Peer exchanges
- Convening
- Publications
- New administrative or management staffing
- New equipment or software
- Facility renovation or purchase



How Do Funders Build Capacity in Nonprofits?

" R-r-r-rum
punch. Hic!

Quite
satisfactory."

Mary Poppins



- Individual Grants & Grantees
 - Adding line items & objectives to regular grants (e.g. for fund development planning)
 - Whole grants for inter-related or comprehensive enhancement
 - Structured Capacity Building Programs
 - Add-on services or supports for clusters of grantees
 - RFP or Invitation to Apply for specific capacity building program or activities (e.g. Sierra Health Foundation Organizational Assessment)
 - Building Capacity in Capacity Builders
 - Management assistance programs (e.g. Nonprofit Management Solutions)
 - Consultants
 - Associations of nonprofits
 - Direct Assistance
 - Partnering With Other Funders (e.g. Strategic Solutions)
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Getting Started



"Bert, what utter nonsense!
Why do you always
complicate things that are
really quite simple?"

– Mary Poppins

Design Steps: Blumenthal/Connolly Hybrid

- ❑ Review your values, beliefs, priorities
 - ❑ Consider needs & goals
 - ❑ Determine resources
 - ❑ Choose an approach
 - ❑ Set goals & objectives
 - ❑ Select strategies or program components
 - ❑ Incorporate evaluation
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Individual Exercise:

Answer the Following Questions
Based on Your Mission, Values, Priorities or
Theory of Change

- We would like to build what capacities?



- In what type of organization?



o what end?

Principles & Lessons

The California Endowment's Capacity Building Strategic Plan (2003) included lessons from scans of the capacity building field and past work of The California Endowment

- Power and Engagement
Capacity building is more effective when target organizations and communities are actively engaged in identifying the need and determining the scope of the work, and take ownership of the process. At the same time, the insights of capacity builders and their sponsors can be critical to identifying important needs and assets invisible to CBOs. Ongoing tension between these positions is inherent in the work, and the ability to negotiate it with grace and skill is a key marker of the capacity to handle power relations between diverse stakeholders.
 - One Size Does Not Fit All
To get the most value from capacity building, especially with scarce resources, interventions should be customized to the organization or community. This includes, but is not limited to the need for culturally competent process design and delivery. In addition, community-based organizations serving diverse populations need support from professionals who also understand nonprofits and have real world experience in addressing their needs and leveraging their assets.
 - Assessment Skills at the Core
Accurate assessment of needs and assets is a foundation of effective capacity building interventions. Such assessments require understanding, involvement, and collaboration from all stakeholders, and openness on all sides to acknowledge each other's capabilities and limitations. This openness can be complicated or compromised by the power dynamics between a funder and a grantee or potential grantee. As such, assessments should be approached not as something to be "done to" an organization, but rather as a tool to be made available to an organization's stakeholders for their own use to increase internal clarity on assets and needs. Because capacity building is by nature an ongoing process in which additional needs and important discoveries may arise in the course of the work, assessment is not limited to the beginning of the work but must also be ongoing, and project designs need to be sufficiently flexible to accommodate newly identified needs.
 - Time and Pace
Depending on the scope of the intervention, it can take time before measurable results are visible and sustainable – three to five years are not uncommon time frames for skill and knowledge transfer to become locally institutionalized. Expectations should be set accordingly, and adequate time allowed for relationship building, planning, implementation, and follow up.
 - A Framework Adequate to the Goal
Systems change is a long term, complex, multifaceted undertaking. A clear theory of change is essential to guide the work and to situate single projects or programs within a larger framework over the course of a longer-term initiative. Taken individually, the systems impacts of projects may be minimal; these become apparent only when projects are considered collectively and through the lens of a framework that focuses attention on the components that build change over the long term.
 - Areas of Unsatisfied Demand
The greatest common needs for support across organizations appear to be in the area of needs assessment and evaluation, process facilitation, brokering of services, and assistance with development of organizational infrastructure and sustainability. There is a correspondingly high demand for culturally competent organizational development specialists and evaluators. The current supply of professionals with these skills is inadequate to the need, as are programs to develop them.
 - Experimentation and Evaluation
The capacity building field is undergoing rapid growth and change. Experimentation and, often, failure are part of the development process. Under these conditions, the inclusion of a strong evaluation component becomes an especially valuable tool for capturing lessons and minimizing losses.
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Principles & Lessons, Continued

“That’s a pie crust promise: Easily made and easily broken.

I’ll stay until the wind changes.”

-- Mary Poppins

- Power = *Knowledge*
 - Control = *Choices*
 - Respect = *Building on assets & valuing differences*
 - Commitment = *Engagement plus flexibility*
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Capacity Building Resource List

Funding Effectiveness: Lessons in Building Nonprofit Capacity

Grantmakers for Effective Organizations

www.geofunders.org

Why Business Thinking is Not the Answer: Good to Great and the Social Sectors

A Monograph to Accompany Good to Great

Jim Collins

<http://www.amazon.com/Good-Great-Social-Sectors-Monograph/dp/0977326403>

Strengthening Nonprofit Performance: A Funder's Guide to Capacity Building

Paul Connolly and Carol Lukas

Amherst Wilder Foundation

<http://www.fieldstonealliance.org/productdetails.cfm?SKU=069377>

Briefing Papers by Paul Connolly of TCC Group:

(1) Building to Last: A Grantmaker's Guide to Strengthening Nonprofit Organizations

(2) Deeper Capacity Building for Greater Impact: Designing a Long-Term Initiative to Strengthen a Set of Nonprofit Organizations

www.tccgrp.com

Books by Paul Charles Light

(1) Pathways to Nonprofit Excellence

(2) Sustaining Nonprofit Performance: The Case for Capacity Building and the Evidence to Support It

www.amazon.com

Effective Capacity Building in Nonprofit Organizations

Prepared for Venture Philanthropy Partners by McKinsey & Company

<http://vpppartners.org/learning/reports/capacity/capacity.html>

Investing in Capacity Building: A Guide to High-Impact Approaches

Barbara Blumenthal

The Foundation Center

<http://foundationcenter.org/marketplace/catalog>

Building Your Advocacy Grantmaking: Advocacy Capacity Assessment Tool

Alliance for Justice

www.allianceforjustice.org

Funder's Guide to Organizational Assessment: Tools, Processes, and Their Use in Building Capacity

Editor: Lori Bartczak

www.amazon.com
