



BUILDING CAPACITY

Strengthening Your Nonprofit

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VALUES

- *Integrity*
- *Clarity*
- *Collaboration*
- *Organic Processes*
- *Active communication with continuous feedback*
- *Forward thinking – rather than problem focused*
- *Self-differentiated leadership*
- *System integration and awareness*
- *Knowing the story behind the work*

Introductions . . .

Who else is in the room?

Facts about nonprofits in NC

Essential: Our State's Nonprofit Sector is a Vital Economic Engine published by the NC Center for Nonprofits (2015)

10,633 tax-exempt 501(c)(3) nonprofits (per 990 filings)

78% saw more demand for their services in 2014

60% were not able to meet those demands

48% served more people or locations in 2014

57% collaborated with another organization to improve or expand services

More facts about nonprofits

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The majority of nonprofits are small

- *43% of have budgets under \$100,000*
- *84% have budgets under \$1 million*

More facts about nonprofits

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In 2014 . . .

17% had an operating deficit

54% did not have enough cash on hand to operate for more than three months

10% reduced staff

5% reduced staff hours

2% froze vacant positions

This comes on top of the 60% of nonprofits that froze or reduced wages in 2009, plus 62% that did so in 2010, another 40% in 2011, and an additional 14% in 2012.

What is “Capacity Building”?

Maximizing an organization’s potential for impact through strengthening the organizational system.

A great organization is not built solely on innovative programs

Board & Staff need to dedicate themselves to raising capacity building at the same level of importance and attention as program development and management

Why do we focus only on program development?

- People are passionate about a particular idea or approach to solving a social issue
- Seasons where focus on programs is critical
- Missions are driven by these initiatives
- Capacity building is time consuming, expensive, and may feel to some like a distraction from the mission

Why do we focus only on program development?

- Glorify program work over administration & planning
- Managers are skeptical about “business practices” being imposed on nonprofit work
- We are judged by having low “administrative costs”
- Funders/donors like to earmark funds for specific programs

Primary Goal of Capacity Building is

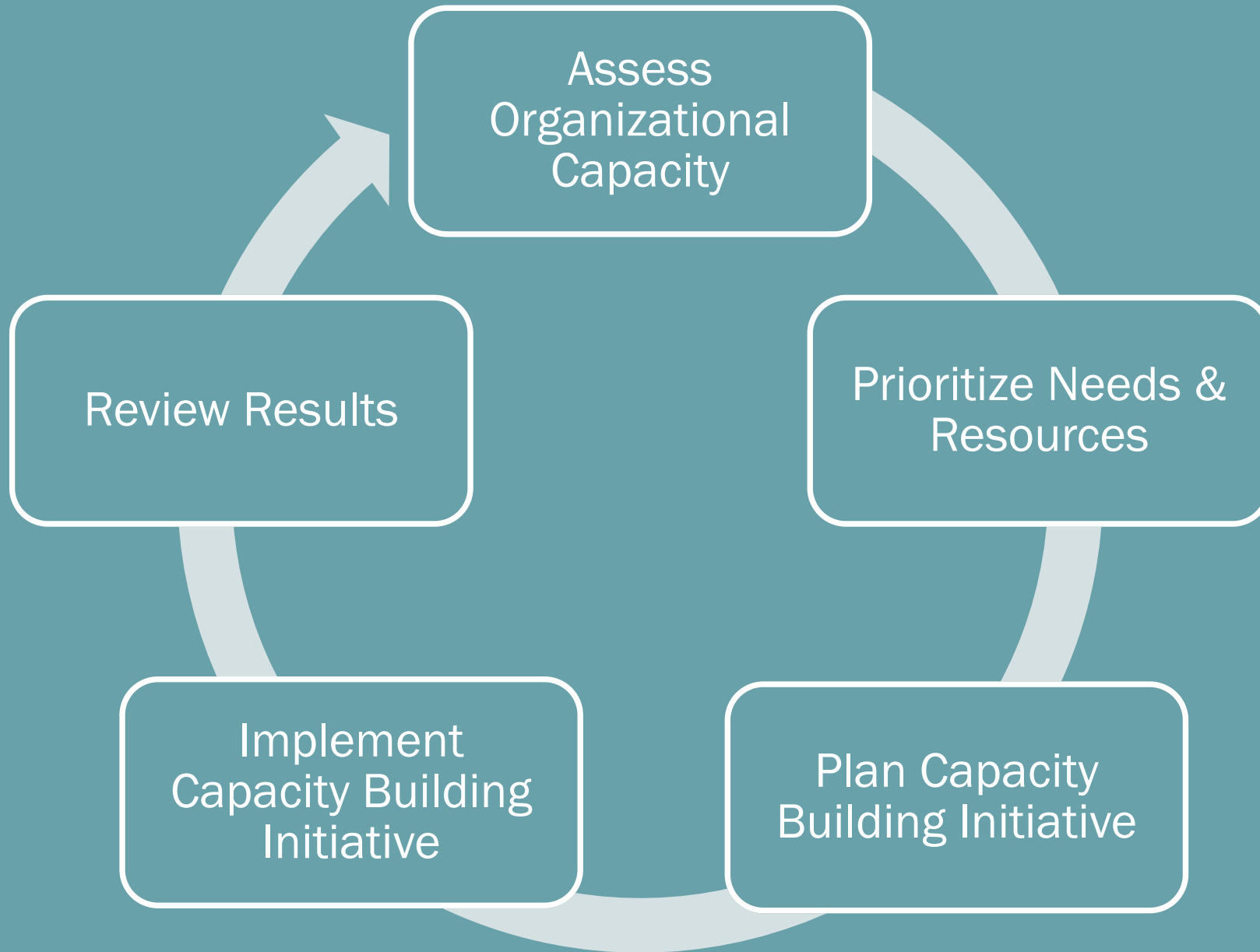
To systematically

increase effectiveness

and

achieve maximum social impact

even when faced with major system changes that threaten program success.



Assess
Organizational
Capacity

Prioritize Needs &
Resources

Plan Capacity
Building Initiative

Implement
Capacity Building
Initiative

Review Results

Marguerite Case Foundation's Organizational Capacity Assessment Tool

Leadership Capacity	Adaptive Capacity
Management Capacity	Operational/Technical Capacity

Using an organizational assessment tool

- Who completes the survey?
- How do you analyze the results?
- What do you do with the results?

Capacity Assessment Worksheet

Strengths	Challenges	Goals	Barriers	Strategies

Leadership Capacity

The ability of organizational or collaborative leaders to

- *Inspire*
- *Prioritize*
- *Make decisions*
- *Provide direction*
- *Innovate*

Leadership Capacity

- Mission, Vision, Overarching Strategy, Shared Beliefs & Values
- Board Composition & Commitment
- Board Governance
- Board Involvement & Support
- CEO/ED Experience & Standing
- CEO/ED Organizational Leadership/Effectiveness
- CEO/ED Analytical & Strategic Thinking
- CEO/ED Financial Judgement
- Board & CEO/ED Appreciation of Power Issues
- Ability to Motivate & Mobilize Constituents

Adaptive Capacity

The ability of an organization or collaborative to

- *Monitor*
- *Assess*
- *Respond to internal and external changes*

Adaptive Capacity

- Strategic Planning
- Evaluation/Performance Measurement
- Evaluation & Organizational Learning
- Use of Research Data to Support Program Planning & Advocacy
- Program Relevance & Integration
- Program Growth & Replication
- New Program Development
- Monitoring of Program Landscape
- Assessment of External Environment & Community Needs
- Influencing of Policy-making
- Partnerships & Alliances
- Community Presence & Standing
- Constituent involvement
- Organizing

Management Capacity

The ability of an organization or collaborative to ensure the effective and efficient use of resources.

Management Capacity

- Senior Management Team
- Staff
- Dependence of Management Team & Staff on CEO/ED
- Shared References & Practices
- Goals/Performance Targets
- Funded Model
- Fund Development Planning
- Financial Planning/Budgeting
- Financial Operations Management
- Operational Planning
- Organizational Processes
- Decision Making Processes
- Knowledge Management
- Inter-functional Coordination & Communication
- Human Resource Planning
- Recruiting, Development, & Retention of Management
- Recruiting, Development, & Retention of General Staff
- Volunteer Management

Operational/Technical Capacity

The ability of an organization or collaborative to implement key organizational and programmatic functions.

Operational Capacity

- Staffing Levels
- Skills, Abilities & Commitment of Volunteers
- Fundraising
- Board Involvement & Participation in Fundraising
- Revenue Generation
- Communications Strategy
- Communications & Outreach
- Telephone & Fax
- Computers, Applications, Network, & Email
- Website
- Databases/Management Reporting Systems
- Buildings & Office Space
- Management of Legal & Liability Matters

What new thing will you do to strengthen your organization's capacity?