The Power of Black Philanthropy: A Summer Workshop Series
Powered by Black Funders of St. Louis

Effective Strategies for Building Organizational Capacity and Board Development

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Overview of today's workshop

- Capacity Building
  - Definition
  - Components of the capacity building framework
  - Mission alignment of capacity building efforts
  - Elements of organization capacity
    - Leadership
    - Management
    - Technical
    - Adaptive
  - Facilitators of effective capacity building
  - The capacity building process
- Board development
  - Board role and function
  - Recruitment of board members

Capacity building is…

Capacity building refers to intentional, coordinated and mission-driven efforts aimed at strengthening the management and governance of nonprofits to improve their performance and impact.

This occurs through organization development activities, such as leadership development, strategic planning, program design and evaluation, board development, financial planning and management, among others.

Capacity building right now is arguably the most important investment the nonprofit sector can make."

- Paul Light

The capacity building framework

Adapted from:
Paul Conolly and
Carol Lukas

Components of the capacity building framework

- *Mission, Vision and Strategy* are the driving forces that give your organization its purpose and direction.

- *Service Delivery and Impact* are your organization's primary reasons for existence.

- *Strategic Relationships, Resource Development, and Internal Management and Operations* are all necessary to achieve your organization's ends.

- *Governance and Leadership* is the lubricant that keeps all the parts aligned and moving.

Mission alignment of capacity building efforts

- "Well-aligned" capacity building is one that fits the organization's mission and its clients' needs within its policy and service-delivery environment.

- It is important to clarify your organization's mission to avoid drifting into unimportant issues and ensure that capacity-building efforts are focused where they matter most.

- Two questions to ask before starting any capacity-building effort:
  - Why does your organization exist?
  - What do you add to the community that no one else does?

Capacity building for organizational effectiveness

- Funders and organizations are too often focused on the *process* of capacity building as opposed to the *outcome* of capacity building
- Understanding the elements of organizational effectiveness can help ensure that capacity building efforts are correctly targeted.
- The capacity building framework can be reframed to consist of four key areas:
  - Leadership capacity
  - Management capacity
  - Technical capacity
  - Adaptive capacity

Elements of organizational capacity: Leadership capacity

- This the ability of all organizational leaders to create and sustain the vision, inspire, model, prioritize, make decisions, provide direction, and innovate, all in an effort to achieve the organizational mission.

- This includes
  - Governance: The overall processes and structures used by the board to direct and manage an organization's operations and activities. Board development is part of building leadership capacity
  - Internal leadership: Organizational leaders outside of the board and their ability to apply a mission-centered, focused, and inclusive approach to making decisions and motivating people to act on those decisions
  - Leadership sustainability: The organization's ability to cultivate organizational leaders, avoid over-relying on one leader, and plan for leadership transition

Elements of organizational capacity: Management capacity

- This is the ability of an organization to ensure the effective and efficient use of organizational resources. Essentially, this means an organization's capacity to serve more constituents more effectively.

- This includes
  - Human resources: All areas related to staff management, such as assessment of staff performance, managing performance expectations, program staffing, staff development, salary, and benefit administration and relevant policies and procedures
  - Financial management: The ability to manage and deploy organizational revenues and assets to ensure efficient operations

Elements of organizational capacity: Technical capacity

- Technical capacity refers to whether the organization has the skills, tools, and facilities to deliver its programs and manage its operations.

- Specific areas of focus include:
    - Program design
    - Program evaluation
    - Fundraising and fund development
    - Marketing and communication
    - Technology

Elements of organizational capacity: Adaptive capacity

- This is the ability of an organization to monitor, assess, respond to and create internal and external changes. This captures the concept of a "learning organization".

- This includes
  - Environmental learning: The ability to learn about what is happening in the local community as well as staying current with what is going on in the field. Networking is essential for this.
  - Programmatic learning: The ability to assess the needs of clients, and use the results of program evaluation as a learning tool in enhancing program delivery
  - Organizational learning – The capability to carry out self-assessments, utilize the findings to carry out and follow through on strategic plans

Facilitators of effective capacity building

- **Customization:** Capacity building efforts should be tailored to an organization.
- **Assessment-based:** Capacity building should always be based on, and informed by a thorough assessment of the needs and assets of the organization and its community. The *process* of conducting assessments can help an organization to pinpoint their current status and goals for growth, and *results* can help in the planning of priorities and measures for progress
- **Readiness:** Organizational readiness to undertake capacity building efforts affects the implementation of successful strategies. some indicators of readiness include openness to learning and change, stability, absence of crises, and availability of necessary resources and leadership.

Facilitators of effective capacity building, contd.

- **Champions:** Capacity building activities require the identification and involvement of influential champions who are engaged in guiding the efforts to implement the change strategies, and possess the skills, time, and resources needed to make the initiative a success.

- **Culture:** An organizations core values, beliefs and behavior norms are different than its performance orientation or "performance culture". Culture is significantly more important for non-profits than for for-profit businesses, as it is often the glue that holds the organization together.
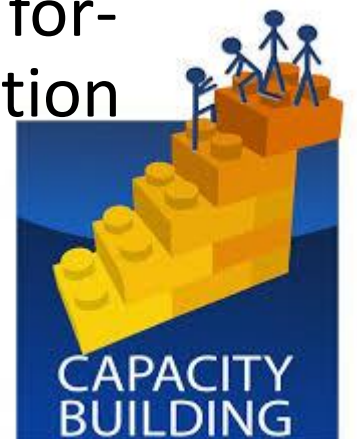
Recommendations for capacity building

- Adopt a model for capacity building

- Invest in appropriate support: Consultants, trainings, and/or peer exchanges

- Assess readiness: Make sure that pre-conditions necessary for the undertaking of capacity are in place

- Conduct baseline organizational assessments

- Evaluate capacity building efforts

Core capacity building processes

- Assessment and benchmarking
- Action planning
- Action plan implementation
- Research and evaluation

Developing Your
Nonprofit Board
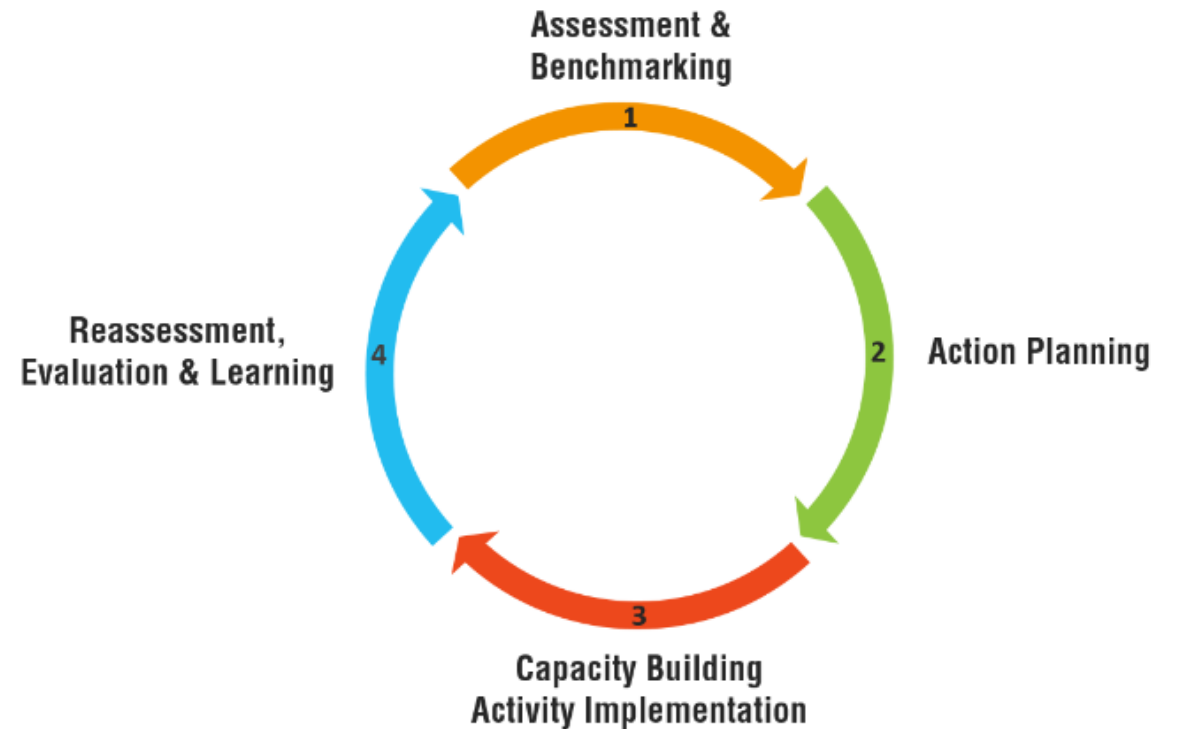
Board development is a component of leadership/governance capacity building, and is integral to the development of an organization.

The right Board member is one that is needed for an organization to advance its mission both currently, and in the future.

What does a Board do?

The roles and responsibilities of the Board include:

- Governance

- Organization Leader

- Executive Director's performance review: The Executive Director reports to the board members

- Provider of assistance

The Board's activities should be connected to and aligned with the organization's work, according to the by-laws and mission.

Recruitment of Board members

- Size of a Board depends on the size of the organization.

- The recruitment process requires both "vetting" a candidate and "cultivating" the interest of a potential future board member until they are ready to accept an invitation to become an ambassador for the nonprofit

- Recruitment process for a board should include the following:
  - Use of a matrix to identify skillset inventory and to guide the recruitment efforts
  - Application process
  - Interviews
  - Voting led by board chair
  - Signing of board agreement by current and future board members

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