

Crack the Capacity Building Nut

Importing Research Breakthroughs from a Landscape Study
in Chicago

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LEARNING *for* ACTION

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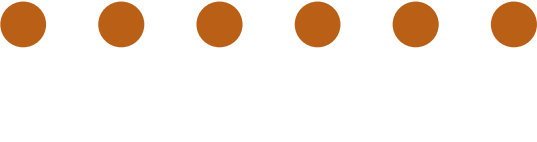
Compasspoint

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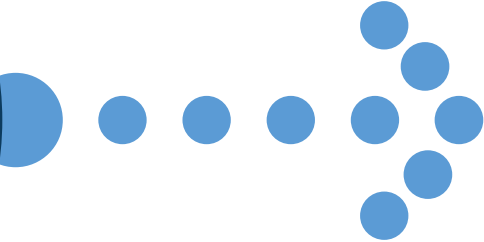
Nonprofits



Providers



Funders



About Point the Way

Point the Way is a project of the Capacity Building Funders Group, a group of 14 foundations that invest in capacity building resources for nonprofit organizations in the Chicago area.

The **Point the Way Steering Committee** is comprised of approximately 15 leaders from foundations, corporations, nonprofits, and capacity building service providers. Forefront serves as the fiscal sponsor for Point the Way.

Point the Way is **funded by** Advocate Bethany Community Health Fund, Community Memorial Foundation, Robert R. McCormick Foundation, Michael Reese Health Trust, Pierce Family Foundation, Polk Bros. Foundation, and The Retirement Research Foundation.

Study Goals

- Identify what **nonprofits need to become stronger** organizations
- Identify the “frustration points” for nonprofits in **accessing services**
- Identify how existing capacity building resources can be best allocated for **maximum impact**
- Identify how capacity building providers can **best serve** nonprofits
- Elevate ideas and recommendations that have a **high potential for improving capacity building resources** in Chicago

Landscape Study Overview

Research Questions

Need



What capacity building supports do nonprofits need?

Investment



How do nonprofits and foundations invest in capacity building?

Access



What factors influence access to capacity building?

Use



What factors influence how nonprofits use capacity building?

Impact



What supports or gets in the way of capacity building impact?

Data Sources

Field Scan

A literature review of the current trends and state of capacity building

Online Survey

A survey of nonprofits, funders, and capacity building providers, completed by 434 respondents (33% response rate)

Focus Groups

Six focus groups with a diverse sample of 36 nonprofit and capacity building provider participants

Capacity Building Model Interviews

Three interviews with experienced capacity building organizations

A Common Definition of Capacity Building

What Is Nonprofit Capacity?



Any nonprofit organization needs these seven **capacities**, to varying degrees depending on its context, in order to function effectively.

Focused vs. Developmental Capacity Building

A **focused intervention** addresses a problem or pain point, which does not require a holistic understanding of the organization's performance across the seven capacities.

A **developmental intervention** seeks to a) understand a potential problem in the context of the organization's performance in relation to the full range of capacities, and tailor the intervention accordingly, b) strengthen the organization as a whole (across the seven capacities) in the context of its stage of development, or c) both.

Questions?

Research Findings

Research Findings

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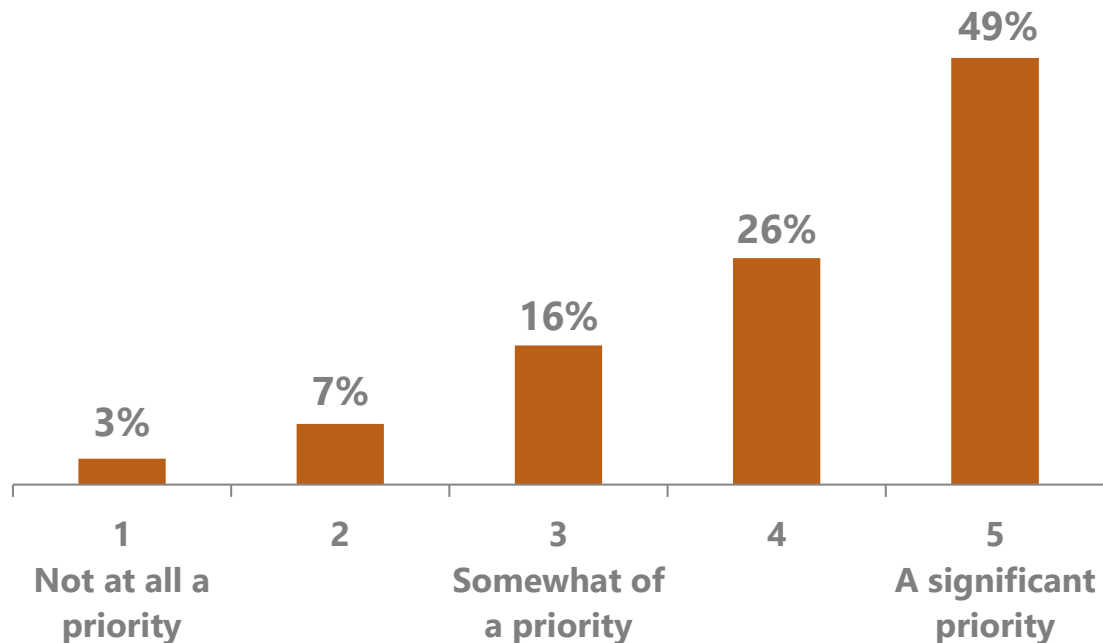


What supports or gets in the way of capacity building impact?

Nonprofits See Capacity Building As Important

- 75% of nonprofits rate capacity building as a priority or significant priority.
- To pay for services, nonprofits use a mix of pro bono services, general operating support, and dedicated grants.

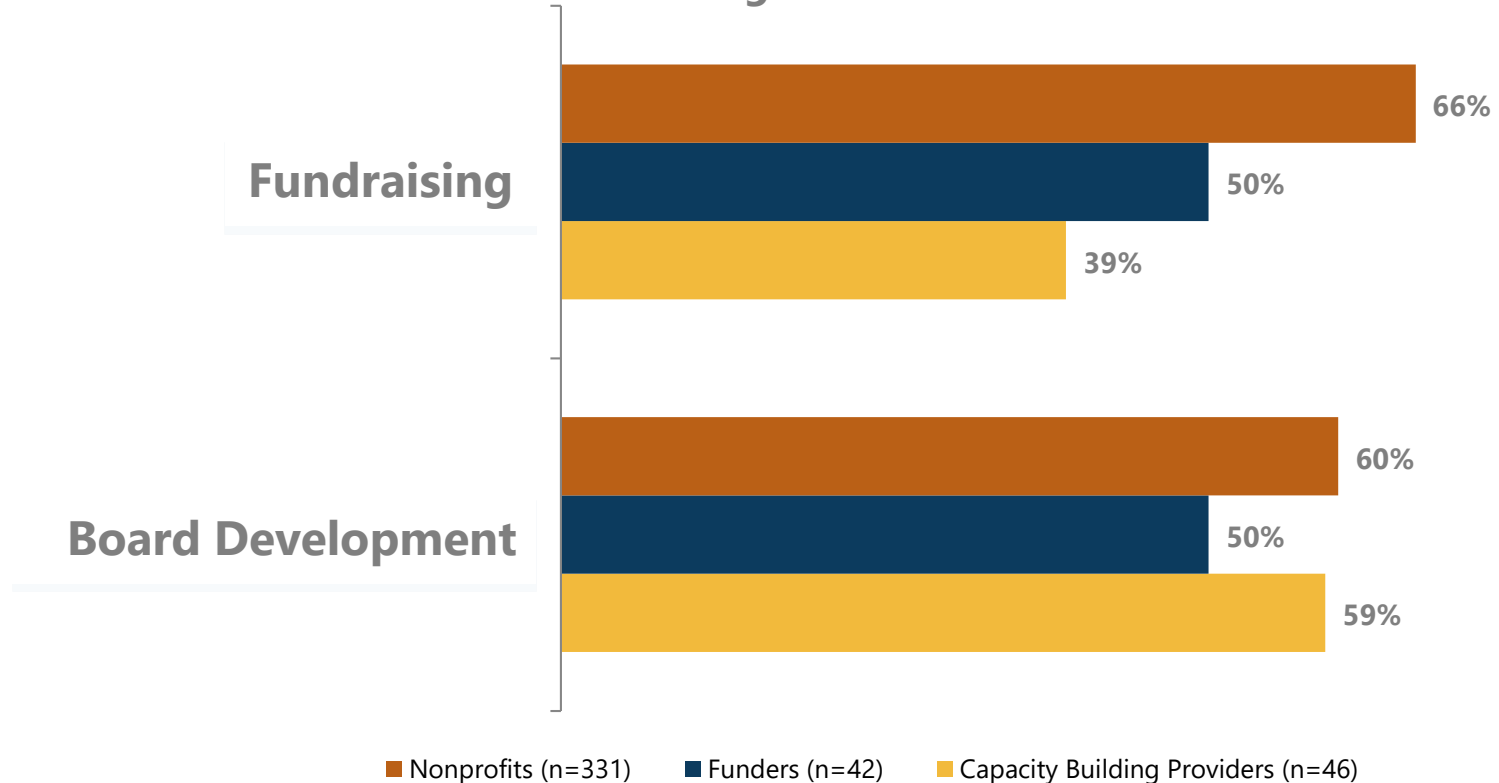
Nonprofits prioritize engaging in capacity building



Specific Capacity Building Needs

Nonprofits have specific capacity building needs for board development, fundraising, strategy and planning, and leadership development.

Fundraising and board development are nonprofits' most important capacity building needs.



Barriers to Accessing Capacity Building: Lack of Tools or Guidance

Nonprofits are often not sure how to assess their need for services, which limits their access to services.

When asked about what challenges they face in assessing their need for capacity building...

42% of nonprofits say they lack effective tools or guidance to assess their need.

5% of nonprofits say they don't know how to assess their need.

5% of nonprofits say they don't know what to focus on.

Which Types of Capacity Building Have the Greatest Impact?

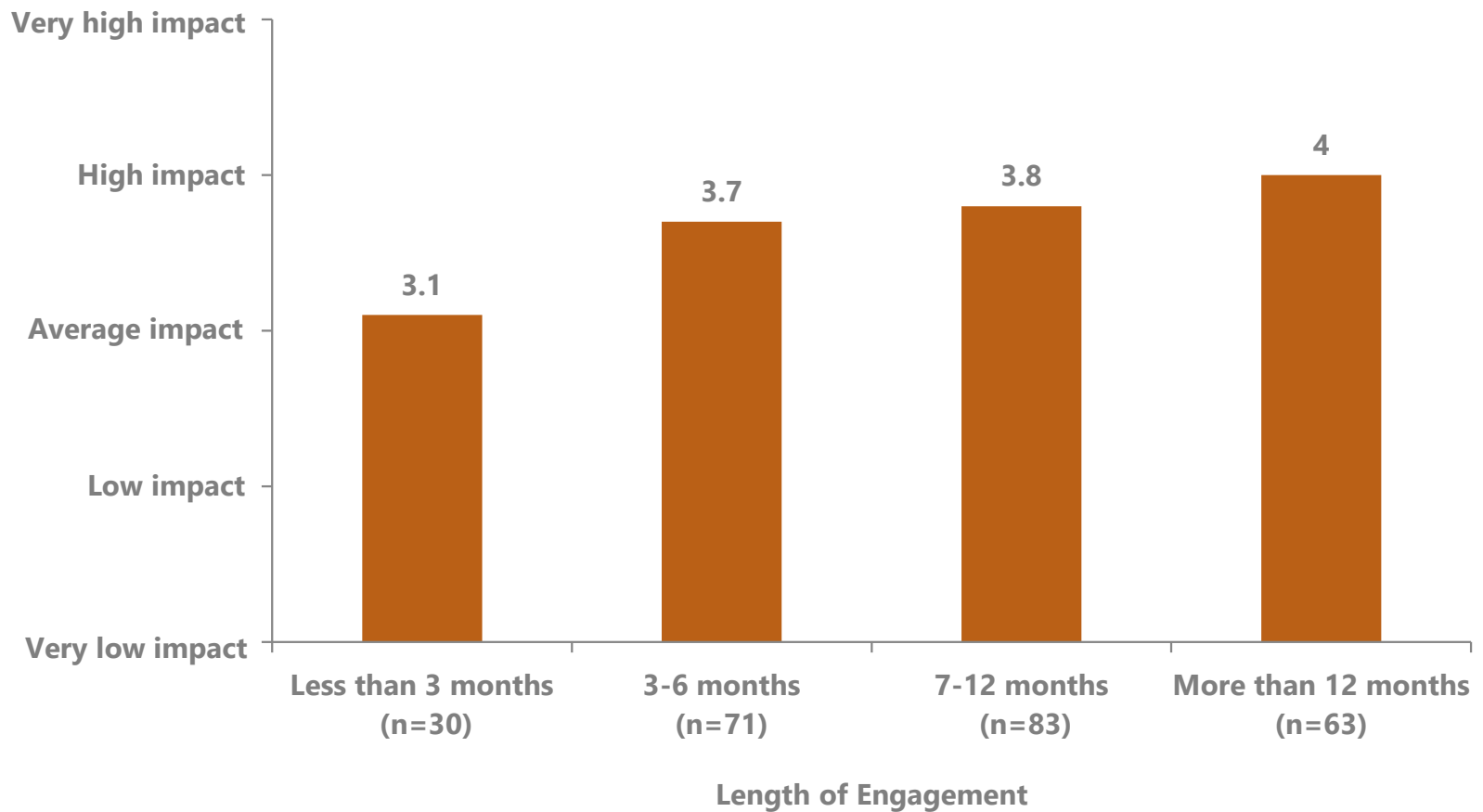
- There was **no relationship** between the **type of capacity services** received and ratings of **impact**.
- The two **exceptions** are **leadership development** programs and **cohort-based** programs, which were rated as **more impactful** than other types of services.
- Suggests that **all types of capacity building** can **be impactful** if tailored to nonprofit needs.

Five Key Factors Supporting Impact

- 1 Good consultants
- 2 Nonprofit capacity and skills to engage
- 3 Organizational buy-in
- 4 Resources to support implementation
- 5 Sufficiently long engagements

Key Factors Supporting Impact: *Sufficiently Long Engagements*

Nonprofits gave higher overall impact ratings for longer engagements



Questions?

Recommendations

Recommendations for Capacity Building in Chicago

Focus on Equity

Prioritize investments in under-resourced communities, and the organizations that serve them, as they are at a profound systemic disadvantage as they try to address the most severe social problems.

Take a Developmental Approach

Prioritize investments that help an organization get and stay on a developmental path.

Invest in a System Navigator Function

Make available human resources, complemented by technology, that can provide real-time, customized support to nonprofits as they seek to assess and address their capacity building needs.

Support Nonprofit Connectivity

Promote capacity building efforts that build connection between and among nonprofit organizations, their leaders, and their social sector peers, both as a part of the process and as an outcome.

Takeaways for Funders

Need

- Invest in or otherwise support organizational assessment, and promote nonprofits' understanding of their own needs as well as “what good looks like” across all the different areas of nonprofit capacity.

Investment

- Invest capacity building resources in under-resourced communities.
- Include an allowance for general operating expenses when funding programs and services, or consider flexible funding such as general operating support (with the appropriate outcomes specified).

Access

- Organize internal knowledge resources, and offer support to grantees for locating and/or vetting quality capacity building resources.

Takeaways for Funders

Use

- Tailor capacity building supports to needs that are identified, or ensure supports are flexible.
- Help support effective engagement on the part of nonprofits with the capacity building process -- both during and afterwards.

Impact

- Avoid “one-off” capacity building engagements, and instead prioritize investments that help an organization get and stay on a developmental path.
- Fund implementation as well as assessment/planning.
- Prioritize “catalyzing” capacity building supports such as strategic planning and evaluation and learning – because they promote both culture and practice of performance management.

Full report available:

learningforaction.com/featured-pointtheway

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Questions?

Panel Discussion

Small Group Discussion

Discussion Questions

How would you amplify the findings of the report based on your experience?

What are your ideas for how you might approach capacity building differently?

Are there any specific needs you think would be well-served by a group of funders collaborating? What gets you excited in terms of what you could accomplish by working with others that you could not do alone?

Thank You