

Capacity-Building

Capacity-building is an investment into the fundamental building blocks of organizational effectiveness. It can help assure that an organization has the tools and resources to deliver the programs essential to its mission. It is an effort to “sharpen the saw” that keeps the organization efficient and effective.

In practice, capacity-building usually refers to several specific organizational development activities: board development, staff development, planning (strategic, operational and/or fundraising) or systems development.

Board Development

The board of directors is key to the success of any nonprofit organization. These governing leaders ensure success through their focus on strategic direction, leadership development, resource development and financial accountability. For smaller organizations, they are also the program delivery staff, implementing the activities that support the mission. The capacity-building investments that can be most important to board development include:

- Training in any of the key roles of governance
- Building and expanding the board to have the full range of diverse talents and backgrounds needed by the board
- Improving the structures (committees, work teams, etc.) that organize the activities of the board
- Team-building activities that solidify the effectiveness of the group

Staff Development

Staff members often sit at the center of effective program delivery, and are fundamentally responsible for program planning and implementation and the administration of the organization. Depending on the size of the group, that staff can play a small, supportive role or may lead on these areas. Growing a staff is one of the most common capacity-building concepts.

Capacity-Building (continued)

Staff Development *cont.*

When groups grow their staff, they often move from a casual and periodic group to one that has the ability to implement programs a much higher, professional level. Building the capacity of the staff can often be done through:

- Training in the roles assigned to staff
- Growing the staff to fulfill more functions within an organization
- Improving the structures (departments, work teams, etc.) that organize the activities of staff
- Team-building activities that improve the staff's ability to work together

Planning

People have time to give to nonprofits, but they don't have time to waste. Planning is an investment in the decision-making process to provide both along-term, visionary understanding of where the organization wants to go, as well as the short-term implementation understanding of how the organization will get there. Good planning efforts not only help define the details of strategic direction and program implementation, but also build strong teams by giving people a chance to share their vision and craft their shared path. It creates ownership in the planning products, thereby producing greater commitment to the plan's success. Capacity-building investments in planning an include:

- Strategic planning activities that define the long- and short-term planning approach
- Operational planning that help a group implement the direction of a strategic plan
- Fundraising planning that develops specific strategies for resource development to achieve the mission
- Programmatic planning focused on key facets of the organization's plan (such as conservation priorities or board development) to ensure proactive and efficient program delivery

Capacity-Building (continued)

Systems Development

Every organization needs good systems to support all the other facets of what they hope to accomplish. Systems are not separate from the other aspects of organizational effectiveness – they are fundamental to them. Unfortunately, many groups lack good systems to ensure that time spent is truly efficient and effective effort. Some of the most common systems development investments include:

- Improving the decision-making processes of the board, staff or both
- Strengthening the information management tools (computers, databases, filing systems, etc.) that underlie effective program delivery
- Upgrading the facilities and equipment that are needed to do the work of the organization

Creating a Capacity-Building Plan

For groups that want to build their capacity, the best process is often to develop a comprehensive plan for how they want to improve their organizational effectiveness. There are several key steps to this process.

1. Assess your capacity strengths and weaknesses. Using assessment tools and independent advisors, groups can explore what they do well and where they fail, and can differentiate between the fundamental challenges they have and the symptoms of those challenges.
2. Develop a plan of building capacity. Every group has areas where it can build its capacity. Nearly always, there is more that needs to be done than any group can undertake at once. The plan needs to define the priority activities toward building capacity, and determine who will implement those activities and when.
3. Implement the steps toward greater capacity. The group needs to put the steps toward greater capacity into action. Understanding what needs to be done through the plan is only important to assure that the work actually gets done. Implementation is the final step that actually makes changes to the group.

Capacity-Building (continued)

The paradox is that an organization may lack the capacity it needs to assess, plan and implement a capacity-building program. That's the reason that the group is working on capacity-building in the first place. In these situations, getting outside help to provide the leadership, energy and follow-through may be essential.

The Importance of Patience and Impatience

The unfortunate reality of capacity-building is that it takes time to get the payoff. While some efforts – such as active recruiting and some types of fundraising – can produce immediate results, most capacity-building efforts require patience to see the benefits through. Groups need that patience so that they don't abandon their efforts before the benefit of their investment begin to payoff.

On the other hand, impatience is a critical motivator to groups investing in capacity-building in the first place. Organizations won't make investments in building their capacity unless they feel some "pain" associated with their current functions. If it feels good enough now, there is no motivation to change it.

When groups get impatient with the problems underlying their desire to build capacity, they become motivated to make the investment. They commit new energy to the group, even as the problems of the group tax their commitment and enthusiasm. If people are convinced that their investment of additional or focused energy on building capacity will make an organization more effective, more sustainable and more enjoyable, they will often redouble their efforts. If a group has spiraled down the path of failure too far, people in the organization may lack the willingness to put in the time and energy that is needed to pull the group back up. Impatience with the problems of the organization, responded to early enough, is critical to assure the group doesn't extinguish its core energy and commitment to success.