Executive Coaches of Orange County

Capacity
Building
Strategies
Capacity Building

- Acquiring the resources that your nonprofit needs to fulfill more of its mission.
Capacity Building Strategies

- A strategy is a deliberate decision:
  - to make a significant change
  - in the way you operate in order to
  - achieve a significantly different outcome

- To increase capacity, you need to:
  - increase the reach, frequency or persuasiveness of your message.
  - Be more strategy (vs. event) driven
Capacity Building Choices

- Where to focus increased effort to build your nonprofit’s capacity.
- What to communicate to make it happen, how and how often.
- How to manage the process to get the results desired.
Option #1

Generate More Revenue

- 57% fees for services
- 30% government
- 13% philanthropy
  - 5% businesses
  - 11% foundations
  - 84% individuals
    - 70% of households donate
    - $1836/household; 3.7% of HH income
To Increase Revenue

- Install or increase some fees
- Find likely grantors, write proposals
- Annual fund raising mailing
- Annual telethon
- Annual fund raising event
- Special efforts to develop major donors
- Planned giving and capital campaigns
- Social entrepreneurship
Option #2
Recruit More Volunteers

- 49% of Americans volunteer
- 157 hours/year/volunteer
- 10 volunteers/employee
- 33% of the total nonprofit effort
  - Board and committee members
  - Volunteers and unpaid staff
To Recruit Volunteers

- Use the personal networks of your staff, board and volunteers.
- Build alliances with other sources
- Use a defined process for recruiting, orienting and keeping volunteers satisfied and willing to do even more.
Option #3
Attract More In-kind Donations

- Food, clothing, household products
- Office supplies and equipment
- Office, meeting and classroom space
- Transportation, vehicles, gas
- Professional services
- Programs & services from other NPs
- Services provided by businesses
Option #4
Do More Good Work

- Increase your outreach efforts
- Screen applicants for fit
- Trial period to verify fit
- Reduce turnover of clients that do fit
- Put a limit on effort invested/client
Option #5
Improve Productivity

- The effective half-life of any event, program, or process is typically about five years. Focus efforts on:
  - Eliminating what is no longer effective
  - Make effective processes more effective
  - Increasing utilization of your resources
  - Create or improve programs to meet evolving client/donor needs
Effort Allocation Principles

- Put 80% of your capacity building effort on keeping your largest sources satisfied and interested in doing even more.
  - Don’t give a major contributor a reason to reduce their contribution to your NP.
  - Learn why your NP is not their favorite
  - Offer major contributors well-thought-out opportunities to do even more for your NP.

- 80% of NP growth is likely to come from the largest 20% of a NP’s contributors
Effort Allocation Principles

- Invest 20% of a NP’s capacity building efforts on diversification:
  - Additional sources of revenue
  - Additional in-kind contributors
  - Additional volunteers at all levels
  - New client niches
  - New programs

- Depending on NP passions & skills
Key Skill #1: Lead

- Be an effective advocate for your NP’s program (mission, goals and strategies)
  - What do you want someone to do
  - Why it is important to your NP & the person
  - Facts and data that support the need
  - Success stories to motivate & show how to
  - Recognition for contributors
  - Statistical report of overall progress

- Resell in some way every month
  - Meetings, writings, phone calls, E-mail, etc.
Key Skill #2: Manage

- Management focuses on actions taken and results achieved:
  - Ask people what they have done, and what they plan to do each week or month.
  - Recognize and appreciate efforts
  - Identify implementation shortfalls
  - Identify outcome shortfalls
  - Find ways to overcome shortfalls
Key Skill #3: Publish

Three needed monthly publications;
1. Encourage your staff to build capacity
2. Create donor interest and opportunities
3. Attract clients that fit your mission

Publicize:
Mission, goals, strategies and programs
Success stories to instruct, inspire & recognize
Status verses goals and previous months

The Power of Persistent Publicity
Key Skill #4: Build Alliances

- Align with other organizations to:
  - Build your board and its committees
  - Recruit volunteers and unpaid staff
  - Work with you to fundraise, get grants
  - Enable you to offer additional services
  - Get donations of space, equipment, supplies
  - Get client referrals
  - Sponsor events and programs
  - Build a small nonprofit’s credibility
Personal Coach’s Role

- Help you stay focused on your issues:
  - Like a personal trainer

- Be a sounding board:
  - Helping you select, deploy and adjust strategies, action plans and assignments for developing your nonprofit’s capacity.

- Be a mentor:
  - For the development of your ability to lead, manage, publish and build alliances.
Capacity Building Teams

- Teams consist of 5-10 people that are willing to invest at least 8hrs/month.
  - Interested board and committee members
  - Interested volunteers and staff members
  - Working versus advisory committees
- Leading and managing teams is much more productive than one-on-one
- Teams outperform individual efforts:
  - Learn from other’s ideas and experiences.
  - Motivated by other people’s successes
  - Desire to be seen as a contributor by peers
Enrollment Process

- Engage their heart (shared values=words)
  - Agree on words that describe the team’s feelings about their Mission, Vision & Values

- Engage their mind (strategies=numbers)
  - Agree on a measurable breakthrough goal, strategies, and milestone measures of each strategy deployment needed to achieve goal

- Get action (tactics=names, tasks & dates)
  - Who is willing to do what each month to help implement each strategy
Your Mission

- The role your nonprofit will play in realizing its vision
- Your first strategic choice
- Gives you a unique role that
  - Differentiates you vs. other nonprofits
  - Is realistic
  - You can focus on and excel at
  - Increases your credibility
  - Other nonprofits can support
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- Our mission: Help Orange County nonprofit leaders develop and implement capacity building strategies that will enable them to fulfill more of their mission.
Capacity Building Goals

- Your capacity building goal is:
  - The measure of your commitment to your mission, vision and values.

- Three year horizon

- Breakthrough >15% growth/year
  - 15%/year = 50% increase in 3 years
  - 25%/year = double in 3 years
  - 45%/year = triple in 3 years

- 50% likelihood maximizes motivation
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- Breakthrough Capacity Building Goal
  - 12 active coaching contracts on 1/1/04
  - 24 on 1/1/05
  - 36 on 1/1/06

- Set in Oct-Nov 2002
  - 50% chance of achieving the goal

- Resist temptations to lower the goals
  - Improve strategies
  - Get more people involved
Developing Strategies

- Every strategy should be:
  - Executable by the team,
  - Utilize the skills & interests of team members,
  - Utilize the contacts of team members,
  - Be necessary to achieve the goal, and
  - The sum of all the strategies should be sufficient to achieve the goal

- Each strategy has a deployment measure
  - A challenging measure stimulates immediate strategic action
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- **Attract clients** by developing coaching programs that can be marketed via media that is practical for us to use (Internet, workshops, referrals, etc.)

- **Measure:** At least 4 nonprofits per month apply for a coach in 2005 (verses 3 per month in 2004)
Action Plan Focus

- Each month, team members state:
  - how they will invest their effort commitment to help implement an agreed upon strategy

- The team leader writes up:
  - all these commitments as a monthly action plan and sends it to all team members.

- Prior to the next meeting:
  - resend the action plan as a reminder of what will be reviewed in the upcoming meeting.
Team Learning & Improvement

- High performing teams review the progress of each team member every month to learn:
  - Who doesn’t implement what kind of action plan
  - Which actions do not get worthwhile results.
  - Adjust strategies and action plans in order to continually improve the team’s performance.

- Low performing teams:
  - Tell stories, share information and ideas
  - But do not make commitments to one another
  - Or review individual performances
  - Which is why they become low performing.
Capacity Building Team Coach

- Help the team stay focused on developing its:
  - Mission and three year capacity building goals,
  - Annual strategies and monthly action plans

- Helps the leader write an:
  - Annual strategy statement
  - Monthly action plans.

- Helps the leader and the team focus on:
  - Reviewing and adjusting strategies, action plans and assignments in order to accelerate team progress.

- Brings to your team:
  - Best practices and capacity building ideas being used by other coaches
Wrap-up

- Any additional questions?
- Please complete and hand in:
  - The Workshop Evaluation Form
- Visit www.ECofOC.org for copies of:
  - All of our Capacity Building Advisory Letters
- Consider applying for a:
  - Team or Personal Executive Coach to help insure your and your nonprofit’s future
- Thank you for coming!