

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 verses 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

Executive Coaches of Orange County

- 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!