

ECHOES  
*from the*  
FIELD



Proven Capacity-Building Principles for Nonprofits



A collaboration between The Environmental Support Center and Innovation Network, Inc.  
funded by the David and Lucile Packard Foundation

*We hope that our findings are valuable to everyone who works to STRENGTHEN nonprofit organizations: consultants and trainers, nonprofits, grant-makers, and members of the research community.*

*—Jim Abernathy, Executive Director, Environmental Support Center*

**A**merica's nonprofits, under increasing pressure to serve vulnerable populations, have an ever-greater need for providers who know how to help them to succeed.

But how is it done? What guiding principles enable providers of capacity-building services to most effectively assist nonprofits? What are the true lessons from the field?

The Environmental Support Center (ESC) decided to try to answer these questions. In a partnership with the nationally-recognized nonprofit Innovation Network, Inc. (InnoNet), a study commissioned by the David and Lucile Packard Foundation began a search for “what really works” in providers’ capacity-building services at the grassroots level. By “providers,” we mean trainers and consultants, otherwise known as technical assistance providers, whether individuals or organizations. And by “capacity-building,” we mean building the capacity to fulfill an organization’s mission. In the widely-accepted definition given by authors Letts, Ryan and Grossman, it means the capacity for an organization to deliver a program, to expand a program, and to adapt to change.<sup>1</sup>

We focused our study on providers of capacity-building services to grassroots groups working on environmental and social justice issues. We believe, however, that the results of our study are also applicable to

other nonprofits, funders and others who provide capacity-building services. And so we have decided to bring this information to you, the entire nonprofit community.

In intensively studying many of America’s most committed and successful providers,<sup>2</sup> we discovered something remarkable: they follow ideas and practices of capacity-building that boil down to nine core principles. We found, too, that providers help nonprofits most effectively when the provider and the organization have a give-and-take relationship based on a mutual commitment to these nine principles. It is having this kind of relationship, not simply “choosing the right experts,” that matters.

We have created this report to present these nine principles — these hallmarks of successful providers. Nonprofit organizations, funders and providers all stand to gain — and also have more to offer — when they know more of what to look for in effective capacity-building.

In the following pages we explain the nine principles, discuss the key skills providers need in order to implement the principles most effectively, and then conclude with some important issues and questions for the future. We at ESC and InnoNet hope that our findings are valuable to everyone who works to strengthen nonprofit organizations: consultants and trainers, nonprofits, grant-makers, and members of the research community.



**POWERFUL** capacity building is the result of a strong, respectful relationship between a ready and willing organization and a skilled provider working with a set of core principles.

*—Allison Fine  
Executive Director,  
Innovation Network, Inc.*

# THE NINE PRINCIPLES *of* CAPACITY-BUILDING

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*Powerful capacity-building is the result of a strong, respectful relationship between a ready and willing organization and a skilled provider working with a set of core principles. In this way, good “practice” becomes a verb, not a noun; a provider helps an organization “practice” capacity-building, over time, in a back-and-forth relationship based on the following principles:*

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## **1. EVERY ORGANIZATION IS CAPABLE OF BUILDING ITS OWN CAPACITY.**

The most successful providers carry a deep respect for their clients’ ability to build their own capacity. They know that their role as providers is to lend help and expertise. But this realization is about more than simply enabling nonprofits to participate in the process. It’s about genuinely recognizing that an organization is in charge of its own capacity-building. Providers who work with an organization’s unique needs, instead of relying on formulas, get better results.

As one nonprofit executive director put it, “The consultant is really there to help and to interpret... But most of the expertise is going to come from the nonprofit participants. Then, the consultant can ask the questions of Who, When, Where, and How.”<sup>3</sup>

## **2. TRUST BETWEEN THE ORGANIZATION AND THE PROVIDER IS ESSENTIAL.**

Trust is at the heart of all nine principles of capacity-building. It is also a quality that reinforces itself. The greater the trust, the better the nine principles work; and the better they work, the greater the trust in the

relationship. This holistic perspective keeps the circle moving. Both parties feel free to communicate openly, to ask for help beyond the usual, to risk disapproval, to listen and learn.

One nonprofit client said of a trusted trainer, “She’s not at all condescending. She’s always very willing to deal with people at a number of different levels and take them where they are and go from there.”<sup>4</sup>

## **3. AN ORGANIZATION MUST BE READY FOR CAPACITY-BUILDING.**

Groups can benefit from capacity-building services at many different stages of organizational life, size, budget, and staff — if they have the qualities that make them ready:

- The organization is open to change and willing to question itself.
- The organization can clearly describe its mission.
- Key members believe that capacity-building will help to further the mission.
- The organization is prepared to commit the necessary time and resources to capacity-building.

Effective providers are willing to trust their own assessment of an organization's readiness, weighing a variety of factors, including an organization's openness, its resources for following through, the danger of hidden agendas in a group, and so on. Many providers believe that an organization in crisis — say, frantic over a possible loss of funding — is not ready for capacity-building, although some research suggests that the very process of capacity-building can help such groups to focus on what matters.<sup>5</sup>

#### 4. ONGOING QUESTIONING MEANS BETTER ANSWERS.

Again and again in our study, the most successful providers were those who said they constantly asked questions and encouraged change. When a provider facilitates a climate in which questioning and feedback are encouraged, it is better for growth — because true understanding is welcomed, not avoided.

One common mistake, according to one provider, is that “we go in as ‘experts’ and say, ‘This is what we know, this is what we are going to give you,’ instead of really finding out what organizations need, really spending time

looking at the community and getting a better idea of how our skills can benefit these community organizations.”

#### 5. TEAM AND PEER LEARNING ARE EFFECTIVE CAPACITY-BUILDING TOOLS.

Providers told us that peer learning (which occurs whenever two colleagues engage one





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# TRUST

another in an exchange, often informally) and team learning (that is, learning experiences designed specifically for people who work on teams) are good for capacity-building. These processes enable more people to contribute to improving the organization. Not only do these methods defeat the myth that the consultant or trainer has “all the answers,” but they also bring many more good ideas into the learning process. And these can provide the added momentum necessary for change.

As one provider said, “If there isn’t a training team, one person goes back with all the excitement and enthusiasm and people are looking at him like, ‘What happened to you? What do you mean, we have to do things differently?’”

## **6. CAPACITY-BUILDING SHOULD ACCOMMODATE DIFFERENT LEARNING STYLES.**

Effective providers recognize that individual people have different styles of learning. Some learn by doing. Others learn by experimenting. Some people need to talk. Others need to think things over. Some are more visual. Some are more verbal.

Sometimes these differences reflect culture, class, or organizational culture. For instance, the well-educated individuals in a group tended to dominate conversation, while the less-educated tend not to speak up. One consultant addressed these difficulties by using more written messages and encouraging people to express themselves in peer groups. Another provider found that some groups loved using music or humor in

training activities, while others found it irritating. Whatever the sources of these differences, good capacity-building takes them all into account.

#### **7. EVERY ORGANIZATION HAS ITS OWN HISTORY AND CULTURE.**

To do effective capacity-building, providers must take into account all of the forces that shape an organization: its mission, its values and organizational culture, the environment in which it has to navigate, and the culture(s) and circumstances of its constituents. The better a provider's understanding of an organization's situation, the more powerful the capacity-building. One consultant, for instance, who worked with a Quaker group where everything was accomplished through consensus, incorporated this dynamic into his approach. Another consultant who worked with environmental organizations encouraged outreach staff to use different figures of speech depending on the urban or rural communities in which they were working.

This point is especially crucial for addressing social change issues with multi-cultural constituencies. Listening, communicating, and understanding an organization's context are all musts for true capacity-building.

#### **8. ALL PEOPLE AND ALL PARTS OF AN ORGANIZATION ARE INTERRELATED.**

An organization is a living body. Everything that happens within it affects everything else. A holistic perspective looks at all of the interconnections that make up the whole. No matter how specific the issue or the problem, it connects with the rest of the organization and must be dealt with in that way. In our research, providers told us that any attempt to understand or change an organization had a far better chance of succeeding if it involved people from many levels: staff, constituents, board members. One staff member

we interviewed provided a vivid example of how this works:

“The executive director actually made the organizing staff, like me, go to the fund-raiser, which at first I thought was stupid. But it was actually very helpful, and helped us center on what we need to do to keep the coalition going... Next time our fund-raiser asked me for lists of people we can invite to this party, I wasn't like, ‘Why do you need those people?’ I totally was like, ‘Yes, I know why.’”

#### **9. CAPACITY-BUILDING TAKES TIME.**

Successful providers tell us that the most effective capacity-building takes place over time. In these groups, intensive long-term trainings and apprenticeships — sometimes lasting for months — prepare people to build organizations and to connect with constituencies. And afterward, capacity-building activities continue to be integrated into the organizations' work. By introducing capacity-building as a process that takes place in stages, providers can help organizations to overcome the fear that “We don't have the time” or “We can't afford it.”

But this doesn't mean that short-term capacity-building sessions aren't valuable. Many providers and organizations have found that such training can help to strengthen a particular skill, such as fund-raising, and to help new and existing staff to better understand a subject that is critical to their decision-making. And sometimes it can help to solve a specific problem that is getting in the way of the organization's overall mission.

## THE NINE PRINCIPLES *of* CAPACITY-BUILDING

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*Again and again in our study, the most successful providers were those who said they constantly asked questions and encouraged CHANGE.*

## THE FOUR QUALITIES *of* EFFECTIVE PROVIDERS

*As important as the nine core principles are, what we found to be just as essential are the skills providers need to best put these principles into practice. **Our findings show that it is the combination of the principles and certain key provider skills that makes for the most effective capacity-building.** These skills come down to four qualities:*

### **1. EFFECTIVE PROVIDERS HAVE A LEVEL OF EXPERTISE AND KNOWLEDGE THAT MAKES A DIFFERENCE IN THE QUALITY OF THE SERVICE THEY OFFER.**

It's basic, but true: the most effective providers have real knowledge and experience — whether in organizational development, technology, fundraising or other areas — that add actual value to what they offer. They ask the right questions and zero in on the problems. And they can do all of this in a way that shows cultural respect and professional openness. There is simply no substitute for these strengths.

One executive director said about a provider, “I didn’t have to explain to them what we were doing. They knew. They knew how we operated, they knew what we do.”<sup>6</sup>

### **2. EFFECTIVE PROVIDERS ARE ALWAYS LEARNING, FORMALLY AND INFORMALLY.**

Successful providers told us that they routinely seek advice from a circle of colleagues. Some said they have coaches. Some meet with groups of their peers to share advice. One consultant said she regularly meets with another provider whom she has asked to informally “supervise” her work. There is also growing support for professional development programs among providers.

Whatever it takes, the most effective providers are willing to do it in order to grow.

### **3. EFFECTIVE PROVIDERS HAVE, AND USE, A NETWORK TO REFER CLIENTS.**

An effective provider will admit when he or she doesn’t have the skills, or the available time, to best meet the needs of a particular organization. He or she will also be able to tap into an extensive network to help the organization find the right consultant or trainer. In our study, using networks was a huge benefit for providers in nurturing capacity-building relationships. And nearly all of the organizations we talked to had at some point taken advantage of a provider’s network.

In the long run, making referrals helps to generate both trust and useful contacts.

### **4. EFFECTIVE PROVIDERS ARE PROACTIVE.**

Effective providers told us that they actively look for new ways of understanding problems, instead of simply relying on the familiar. They think about new and better services to offer, and they continually touch base with organizations and communities to ascertain what kinds of assistance they need. This can happen formally as well as informally. One provider organization said it sends out periodic surveys to nonprofit groups in its geographic area, and it consults regularly with its network of executive directors to learn more about what they would like.

What it comes down to is taking the initiative to discover what each organization really needs.

*Our research has also shed light on some provocative issues that pose ongoing challenges and opportunities for providers, which we will briefly summarize here.*

**THE CULTURAL AND POLITICAL ROLE OF PROVIDERS.**

There is ongoing discussion among providers about the degree of significance of cultural and political factors in relationships with clients — such as a provider’s being of the same race or ethnicity as the client, having long-standing knowledge of an organization’s issues, or sharing the client organization’s social change agenda.

What we have observed in our research is that by far the single most important factor in a provider’s successful relationship with a client is understanding and embracing the nine principles. This, along with fundamental qualifications such as a provider’s knowledge of nonprofits and expertise in the specific areas of need, forms the foundation for a productive match between provider and client. Once these basics are accounted for, effective providers do find that a strong match, including cultural and political factors, will usually make capacity-building more effective. But the nine principles remain at the core of a strong relationship.

**ISSUES IN CAPACITY-BUILDING.**

*Funding.* Funding for nonprofit capacity-building remains a major challenge. Many grantmakers have a program-oriented view of funding that does not take into account the ongoing supportive relationships that programs need to succeed. As a result, some regions have healthy amounts of money for capacity-building, while others have little or none. Providers in regions with insufficient

funding for capacity-building face hard choices; many struggle with whether they should scale back services or offer their expertise pro bono or at a discount.

Among forward-thinking funders, however, there is growing financial support for capacity-building. Providers should continue to foster greater understanding of the importance of capacity-building for the success of nonprofits.

*Access.* Insufficient and uneven funding of capacity-building, as described above, reinforces problems of access to nonprofit services in some parts of the country, especially rural areas. While increased funding is needed to close the gap, greater use of networks can also help to improve much-needed access. Networks, in fact, have become a major force for capacity-building nationwide. They enable providers and organizations to connect with a widening circle of their peers and constituents, through which they can hear about new ideas, refer or be referred, share training, and connect with like-minded groups. Networks are a resource with amazing potential, and one that, in these days of need, is certain to grow.

*What it comes down to is taking the initiative*

*to DISCOVER what each organization really needs.*



## CONCLUSION:

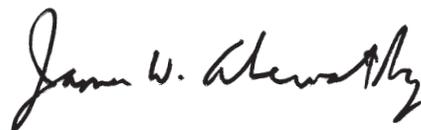
*We in the nonprofit community need more research, more discussion, and more hard work on all of these issues. In that sense, we hope that our findings and our recommendations are a **BEGINNING**, not an end.*

*Providers today, our research shows, can best help nonprofits to serve the increasing needs of constituents by embracing a set of core criteria for effectiveness and excellence. The nine capacity-building principles we have shared in this report, and the four key qualities that enable providers to effectively use them, have been proven in the field as tools providers can use to help to strengthen nonprofits. We at The Environmental Support Center and at Innovation Network share these tools with you in the hope that they will prove valuable in your work.*

In concluding this report, we offer a few questions, revealed in the course of our study, that we think will have a significant effect on how providers can help nonprofits to build capacity:

- How can the profession become focused on principles that govern a relationship of trust between an effective provider and a ready organization?
- Under what conditions can small groups with limited resources succeed in capacity-building — and what might that success look like?
- How can providers help social-change organizations to build capacity without compromising these organizations' values?
- How can we overcome barriers of location, language, education, culture and ethnicity to more equitably share effective capacity-building?

We in the nonprofit community need more research, more discussion, and more hard work on all of these issues. In that sense, we hope that our findings and our recommendations are a beginning, not an end.



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### Notes

- <sup>1</sup> Letts et al., High Performance Nonprofit Organizations: Managing Upstream for Greater Impact, 1999, pp. 20-21
- <sup>2</sup> For a description of the study and participants and full text of interviews, please see the Full Report posted at [www.innonet.org](http://www.innonet.org) or [www.envsc.org](http://www.envsc.org)
- <sup>3</sup> Brian Shields, Executive Director of Amigos Bravos, quoted in the Full Report
- <sup>4</sup> Charlotte Ayers, Founding Director of Jesus People Against Pollution, quoted in the Full Report
- <sup>5</sup> Philbin, Ann and Sandra Mikush, A Framework for Organizational Development: The Why, What and How of OD Work, Winston-Salem, NC: Mary Reynolds Babcock Foundation, 2000
- <sup>6</sup> Kelpie Wilson, Executive Director of the Siskiyou Project, quoted in the Full Report



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