Workshop Summaries

**Alliance for Nonprofit Management
and
National Council of Nonprofit Associations
Annual Conference**

**June 13 – 16, 2002
San Diego, California**

Prepared by:
Lorie Cobb
Marissa Theisen
Rebecca Van Marter
Michelle Lyons-Mayer

Prepared For:
The Arizona Nonprofit Capacity Building Initiative

Foundation Funding of Capacity Building – What Do We Know?

- Shelley Davis, Joyce Foundation
- Thomas E. Backer, Human Interaction Research Institute
- Carol Lucas, Amherst H. Wilder Foundation

Summary:

A. Increased Funder investment in Capacity Building
    1. Emerging professional attention
    2. Expanded knowledge base
    3. Rising funding levels – 125% increase since 1989

B. What funders can do in addition to grants
    1. Convene meetings with MSO's /Building physical space for convening
    2. Create cohorts and learning circles
    3. Help nonprofits share consultants or infrastructure
    4. Require plan for capacity building with touch downs
    5. Help connections within communities
        a. Data bases
        b. Mapping community resources
    6. Fund nonprofit specific resources (software, etc.)
    7. Hire from the field/staff with nonprofit expertise
    8. Opening alternative capital markets for nonprofits
    9. Encourage communication between government and funders
    10. Collaborate among themselves

C. Exemplary projects
    1. Rochester Effectiveness Project – community wide approach to evaluation
    2. Readiness Assessment – Packard Foundation Guidelines for Responsive Grantmaking – www.packard.org
    3. Maryland Innovation Fund – Managed by the Maryland Association of Nonprofits – funds used for mergers, etc. – www.mdnonprofit.org/mias.htm

D. Challenges to Funders
    1. Learning what works
    2. Deciding when and how to invest
    3. Forging partner relationships
    4. Walking the talk

Additional Resources:
- Grantmakers for Effective Organizations [GEO] – www.geofunders.org
- Echoes from the Field: Proven Capacity-Building Principles for Nonprofits – www.innonet.org
- Building Capacity in Nonprofit Organizations – The Urban Institute

Contact: Marissa Theisen

Field Building - Strategies for Sustaining the Sector

- Bob Agres, Hawai'i Alliance for Community-Based Economic Development
- Tommy Otake, Hawai'i Alliance for Community-Based Economic Development

Summary:
Field Building Strategies & Components
1. Convening & Networking
2. Knowledge Development & Dissemination
3. Standards Identification & Setting
4. Training
5. Management Assistance Services & Consulting
6. Resource Development
7. Advocacy & Representation
8. Accountability

Additional Resources:

Contact: Marissa Theisen

How to Know that We are Making a Difference: Evaluating Our Capacity Building Work

- Paul Connolly, Conservation Company
- Peter York, Conservation Company
- Stephen Vetter, Eureka Communities
- Elizabeth Sadlon, Sadlon & Associates

Summary:
- A. 20 Quick & Easy to Use Tools that Extend the Impact of Training – Terrie Temkin & Elizabeth Sadlon
- B. Continuum of Capacity Building Evaluation – Prepared by Peter York & Paul Connolly
  (Activity, Short Term Outcomes, Long Term Outcomes)
- C. Challenges of Evaluating Capacity Building
- D. How to Evaluate Capacity Building Efforts
  1. Determine who will participate
  2. Determine the level of outcomes on which to focus the evaluation (Individual -------Community)
  3. Develop evaluation framework, articulate evaluation questions, decide how to measure success
  4. Develop an evaluation work plan and implement evaluation methods
  5. Use and share evaluation results.
- E. Variety of Measurement Methods – Qualitative, Quantitative Outcomes, Quantitative Scientific Research
- F. Logic Model
  1. Inputs – Dollars, Staff time, materials, etc
  2. Capacity Building Strategies – Training, education, professional development, publications, convening, facilitating, etc.
  3. Components of Organizational Capacity – Governance & leadership, mission, vision & strategy, resource development, program delivery, internal operations
  4. Outputs – Number of clients staff serves, # of services provided, duration, frequency, etc.
  5. Individual Outcomes – Nonprofit staff increase their knowledge of organizational effectiveness, identify ways to improve management or program, new skills
  6. Organizational Outcomes – Staff share knowledge with others, nonprofit implements change to improve management or program, demonstrates improved systems
  7. Service Recipient Outcomes – Nonprofit's clients improve their knowledge, skills, attitude, behavior or condition
- G. Indicators, Measures, Tools – Specifically identify how you will know if clients achieved the outcomes
- H. Key Points/Insights:
  1. Good Evaluation Process Design
  2. Continuum of Capacity Building Evaluation
  3. Example of a Survey tool
  4. Good definition of capacity building
  5. Components of Organizational Capacity

Additional Resources:
- "Building to last: A Funder's Guide to Capacity Building" w work in progress by Paul Connolly of The Conservation Company and Carol Lukas of Amherst H. Wilder Foundation - www.consco.com
- Chapter on Evaluating Capacity Building in upcoming Wilder book Co-authored by Paul Connolly, The Conservation Company pconnolly@consco.com and Carol Lukas, Amherst H. Wilder Foundation 651-642-2024, cal@wilder.org
- Alliance-commissioned study of the state of evaluation in the field of nonprofit capacity building: Deborah Linnell, 401-294-7633, debatalliance@aol.com
- "How Can We Help? A Comparison of Capacity-Building Program": Barbara Blumental, Princeton University, BarbBlumen@aol.com
- Ongoing study of Outcome Measurement of Consulting Practices Executive Service Corps of Chicago, Nancy Fuhrman, VP Consulting, 312-580-1840, nany.Fuhrman@esc-chicago.org

Contact: Marissa Theisen & Rebecca Van Marter

Nonprofit Sector Overview

- Lester Salamon, Johns Hopkins University

Summary:
1) Six Challenges Facing nonprofit Sector
   a) Fiscal
   b) Competitive
   c) Effectiveness
   d) Technology
   e) Legitimacy
   f) Human Resources

2) Opportunities
   a) Favorable social & demographic shifts
   b) New philanthropy
   c) Visibility and policy salience
   d) Resumption of total govt. spending growth

Additional Resources: Upcoming Book: *The State of America's Nonprofit Sector,* Lester Salamon

Contact: Marissa Theisen

The New World Philanthropy:
Turbulent Change in our Foundation and Corporate Grantmaking

- Rick Cohen, National Committee for Responsive Philanthropy
- Joni Craig, San Diego Foundation for Change
- Tom Van Dyck, Piper Jaffrey/As Ye Sow
- Bob Gnaizda, Greenling Institute
- Lisa Duran, GIFT

Summary:
   A. Disturbing Trends
       1. Funders cutting back due to recession
           a. Reduction (9.3%-7.4%) in core operating support by top 100 funders between 1998-2000
           b. Decline in percentage of grants to social activist causes & advocacy
           c. 5% payout floor being used as ceiling – also includes administrative costs
           d. Accountability – almost none
   B. Funding from radical right is increasing significantly – progressive values are under attack/replaced by market equality emphasis
   C. Funders need to better support social justice organizations
   D. Strive to increase corporate payout rate from 1% of pretax profits to 2% - could generate another $20 billion – should increase flow to underserved communities

Additional Resources:

Contact: Marissa Theisen

NCNA Committee Meeting: Membership Committee

- Anne Giliberto, Connecticut Association of Nonprofits
- Lora Pollari, National Council of Nonprofit Associations

Summary:

A. NCNA Turn-Key Programs - NCNA's Products and Services Committee has developed three "turn-key" programs that member associations can easily tap into:

1. Office Supplies - NCNA has negotiated a joint purchasing contract with Boise Cascade that any state association can affiliate with. Participating associations:
   a. Sign an agreement
   b. Incorporate their logo into pre-prepared marketing material that includes a code unique to that state and a deeply discounted price list for selected products
   c. Distribute marketing material to nonprofit members
   d. Nonprofits can order supplies via Internet, FAX or phone
   e. 1% of sales go to the state association - 1% to NCNA

2. Tele-Conferencing – NCNA has negotiated a contract with Citizens Conferencing to provide discounted tele-conferencing services to state associations and their members. Rates are discounted 28% – 42%. In California, this service is the one most utilized by CAN members.

3. Nonprofit CARES -   CD-ROM program designed by the Nonprofit Risk Management Center to assist nonprofits with the development of a comprehensive risk management program. Associations can purchase the program at a discounted price ($89) and sell to members at a set price ($129). Five associations are currently conducting a pilot as satellite offices of the Nonprofit Risk Management Center and typically market this program in conjunction with other programs and training.

4. Emerging Areas - NCNA's Products and Services Committee will be investigating national joint purchasing opportunities in the following areas based on feedback at the annual conference:
   a. Banking and financial services
   b. Credit card processing
   c. Retirement benefits
   d. Software (financial management, fundraising)
   e. Resource materials (books, publications)

Additional Resources:

Contact: Michelle Lyons-Mayer

Earn Serious Income While Serving Members:
Learn from Those Who have Done it Successfully (Insurance)

- Pamela Davis, Alliance for Nonprofit Insurance, Risk Retention Group
- Deborah Connors, CAN Insurance Services
- Anne Giliberto, Connecticut Association of Nonprofits
- Betsy Jansen, CANPO Administrative Services, Inc

Summary:

1. A number of State Associations are generating income while providing insurance products to member nonprofits
    a. In many cases - #1 used/requested product from members
    b. Provide an array of programs with a fair amount of choice
    c. Also provide other employee benefit programs and insurance products

2. Three Phases
    a. Start-Up (see below)
    b. Negotiated Contracts – Connecticut
    c. For-Profit Subsidiary – California and Colorado

3. Emerging Associations
    a. Don't try to start with health insurance
    b. Stick with liability or unemployment insurance as initial products
    c. Build member base
    d. Do research
        i. Existing state laws
        ii. Current insurance market (i.e. hard vs. soft)
        iii. Identify providers with nonprofit experience
        iv. Develop bid processes and contractual language
    e. Recruit/build expertise

4. Other Opportunities
    a. Form partnership with national organizations
        i. Alliance for Nonprofit Insurance (liability)
        ii. Unemployment Service Trust (unemployment)
    b. Partner with another state association (i.e. Colorado may be able to write policies for Arizona as we "grow" our program)

Additional Resources:

Contact: Michelle Lyons-Mayer

NCNA Affinity Groups: Member and Management Services

- Peter Andrew, New York
- Karen Armas Landau, Center for Nonprofit Corporations (New Jersey)
- Jennifer Gross, Pennsylvania Association of Nonprofits
- Nancy Hall, Maryland Nonprofit Associations
- James McCrary, Nonprofit Resource Center of Alabama
- Robin Schultheiss, Michigan Nonprofit Association

Summary:
  A. Overall Discussion - This affinity group consists of Association staff whose primary responsibility is to provide Member and Management Services to the association's membership. Much of the discussion centered around challenges and solutions in the following areas:
      1. Vendor Relationships – Contractual language, quality of services, use of association logo/name
      2. Information Management – Online services, database management
      3. Membership Growth & Retention – Satisfaction, documenting benefits received, stable growth
      4. Marketing & Communications – Web-sites, newsletters, mailings

  B. Best Practices
      1. <u>Annual Member Satisfaction Survey</u> - Maryland - Contact Person: Nancy Hall
      2. <u>Needs Assessment via Member Application</u> - New York - Contact Person: Peter Andrew
      3. <u>Electronic Information Management/Database</u> - Michigan & Alabama
      4. <u>Contract Language & Written Principles</u> - Michigan, New York & Maryland
      5. <u>New Executive Director Packet</u> – Maryland - Contact Person: Nancy Hall
      6. <u>Calendar Reminder</u> – Maryland - Contact Person: Nancy Hall
      7. <u>Publications Discount</u> - Various Associations
            a. Chronicle of Philanthropy ($49.75 from $67.50)
            b. Don Kramer's Nonprofit Issues ($99 from $129)
            c. Nonprofit World Magazine ($25 from $75)

  C. Lessons Learned - Advise from other (State Associations)
      1. Don't expect to do more than break even in the first year
      2. Start with a few "easy to roll-out products" such as office supplies
      3. Diligently screen contractors, establish strong contractual language regarding endorsements and use of association name, logo and member list, closely monitor vendor relationships
      4. Plan carefully when designing the member database to be flexible to grow with the needs of the organization (i.e. initial database should include all registered 501(c) organizations in the state)

Additional Resources: Lora Pollari-Welbes (NCNA) was an Imus consultant (database) – can provide TA/support

Contact: Michelle Lyons-Mayer

Evaluation of Nonprofit Capacity-Building Efforts

- Deborah Linnell, Linnell and Associates
- Thomas Backer, Human Interaction Resource Institute

Building Capacity in Nonprofit Organizations - www.urban.org/nonprofit/building_capacity.html

1) Study from Knight Foundation
   a) Funded by Urban Institute
   b) 60 existing evaluations on capacity building nationally

2) Eight Core Characteristics of good capacity building organizations
   a) Capacity building is comprehensive
   b) Customized and responsive to organization they serve
   c) Competent in delivery of services - Organization must be competent in use of services
   d) Programs are timely
   e) Programs and services are peer connected
   f) Assessment-based
   g) Consider readiness
   h) Contextualized

3) Other Points:
   a) Packard Foundation is a big funder in capacity building
      Program for Organizational Effectiveness and Philanthropy – www.packard.org

   b) Geography does make a difference in availability of funding:
      i) East Coast - Strong
      ii) Northwest - has pockets
      iii) South/Southwest - almost nonexistent

   c) Good models already out there:
      i) Management Assistance Project: Ann Larson
      ii) The Learning Circles (peer learning), Washington, D.C. – www.innonet.org
      iii) Rochester Effectiveness Project
      iv) Community Development Corps
      v) Arts Stabilization Project (detailed in National Arts Stabilization Journal) - www.artstabilization.org

   d) Emphasis on evaluation
      i) Evaluation should be assessment-based
      ii) Put evaluation up-front as part of capacity building intervention
      iii) Mid-Evaluation: focuses more on formative and process questions
      iv) Evaluation should be learning-based: loops between planning, doing, evaluating and reflecting

Additional Resources:
- The Conservation Company – www.consco.org
- Innovation Network – www.innonet.org

Contact: Lorie Cobb

Building Strong Boards: A Look at Assessment Tools and Options

- David Renz, Midwest Center for Nonprofit Leadership, University of Missouri, Kansas City

1) Six instruments presented:
   a) Boardsource - www.boardsource.org
   b) Cheswick GT
   c) Six Core Competencies (Holland and Other)
   d) Board Work Assessment (Pointer and Orlikuff)
   e) Board Self-Assessment Questionnaire (Jackson and Holland)
   f) MAP for Nonprofits (McNamara) - www.mapfornonprofits.org

2) Participants rated tools based on:
   a) Quality
   b) General utility
   c) Need for support
   d) Ease of use
   e) Overall

3) Boardsource rated overall best tool - comments
   a) Works for all sizes of boards
   b) Not as sophisticated
   c) A lot of questions
   d) Not every section relevant

Additional Resources:

Contact: Lorie Cobb

Different Assessment Methods and Models

- Ruth McCambridge, Third Sector New England
- Rick Cohen, National Committee for Responsive Philanthropy

Summary:

Needs Assessment models discussed:

1) Reframing Organizations "Frameworks"
   Bolman & Deal
   a) Structural- goals and roles
   b) Human Resource- group dynamics, personal motivation
   c) Political- power dynamics, resource allocation
   d) Symbolic- culture, myths

2) Fifth Discipline
   Peter Senge
   a) Shared Vision
   b) Mental Models
   c) Personal Mastery
   d) Systems Thinking
   e) Team Learning

   Complimentary theme: Lifecycles of Organizations
   "Evolution and Revolution as Organizations Grow, Harvard Business Review, July-August 1972
   Author: Larry E. Greiner

3) High Impact Consulting: How Clients and Consultants Can Work Together
   Bob Schaffer:
   a) Designing for Readiness
   b) Results as a Goal
   c) Partnership Relationships
   d) Rapid Cycle Successes

4) Organizational Diagnosis
   How organization interacts with its environment
   Several ways of examining this through different studies:
   a) Open Systems Approach - (Michael Beer & Ben Spector)
   b) Causal Texture of Environment - (Trist & Emery)
   c) Process Consultation Model - (Edgar Schein)
   d) Generative learning - (Freire)

Additional Resources:

Contact: Lorie Cobb

Characteristics of High Performing Organizations

- Paul Light, Brookings Institution - www.brookings.edu

Summary:

Nonprofit Effectiveness Project
1) Studied 45 organizations

2) Key Characteristics of High Performing Organizations
   a) Sustainable
      i) Sustains high performance over time
   b) Resilient
      i) Take a punch - give a punch
   c) Strategic:
      i) Organization asks - Do they know who they are, where they are going and how they are successful
   d) Reflective
   e) Entrepreneurial
   f) Innovative
   g) Mission-Centered

Additional Resources:
- Pathways to Nonprofit Excellence - www.brook.edu/dybdocroot/pressroom/books/0203light.htm

Contact: Lorie Cobb

Taking Control of a Public Policy Agenda for Nonprofits

- Peter Berns, Maryland Association
- Pat Babcock, the Kellogg Foundation
- Erin Skene, Michigan Association

Summary:

1) Need to educate people regarding the Sector

2) Considerations for moving to actions
   a) Staff Resources
   b) Potential timing
   c) Revenue Available
   d) Input of Public Policy Committee
   e) Do we have critical research

3) Most Associations have a Public Policy Committee of the Board

4) Process for Public Policy Development
   a) Principles - > Priorities - > Annual Agenda

Additional Resources:
- Michigan Public Policy Survey
- Michigan Policy Concerns and Recommendations
- NCNA's Public Policy Principals
- NCNA's Guidelines for Public Policy Decision-making
- NCNA Issue Updates

Contact: Rebecca Van Marter

The Ultimate Evaluation: Are State Associations Making a Difference?

- Trisha Lester, NC Center for Nonprofits
- Melissa Flournoy, Louisiana Association
- Sam Singh, Michigan Association
- Jane Van Buren, Vermont Association

Summary:

1) Key Points
   a) Evaluation mostly through Annual Reports and Sector Reports
   b) State Associations get revenue through technical assistance and training, but do not evaluate results well
   c) Advocacy is important, but some nonprofits hope others will pay for it
   d) Conceptual model development for evaluation is critically needed

2) Recommended follow-up:
   a) Spend thoughtful time in developing an evaluation plan as part of Arizona's Business Plan

Additional Resources:
- Michigan's – "Setting the Record Straight" – a booklet on the Sector
- Michigan's - "Giving and Volunteering" – a booklet on the impact of philanthropy and service

Contact: Rebecca Van Marter

Field-Building: Management Support Organizations & State Associations

- Nathan Woodriff-Stanley, Mississippi Association
- Florence Green, California Association
- Monica Roers, Center for Nonprofit Resources, New Orleans

Summary:

1) Key points/insights:
   a) Mid South has a formal consortium between MS and AR State Associations and New Orleans Center for Nonprofit Resources.
   b) LA has brought together LANO, 2MSV's and a State Association of CDC's

2) Suggestions:
   a) Develop Memos of Understanding
   b) Go slow to go fast – Do not underestimate trust and relationship building time
   c) Coordinate regionally
   d) Do not loose site of larger
   e) Do not jump into shared dollars right away
   f) Shared event promotions
   g) Joint curriculum development
   h) Bundled membership

Additional Resources:

Contact: Rebecca Van Marter

Organizational Architecture: "Getting One's House in Order"

- Marilyn Ayenew Hosea, Organizational Development Consultant

Summary:

1) Carefully and imaginatively consider the architecture of the organization

2) Build it to fit:
   a) Planning
   b) Governance
   c) Communications
   d) Record Keeping
   e) Human Resources
   f) Ongoing Monitoring
   g) Self-Assessment
   h) Fiscal Management

Additional Resources:

Contact: Michelle Lyons-Mayer & Rebecca Van Marter

Life Stages of MSOs and Associations

- Byran Barry, Wilder Center for Communities

Summary:

1) The sector itself is in the middle stage at development

2) Wilder Center – our goal changed over time
   a) Three seasons – our goal changed over time
      i) Goal: Well-managed nonprofits – Management Support Services
      ii) Goal: Effective nonprofits – Services to Organizations
      iii) Goal: Vital Communities – Wilder Center for Communities

3) Lessons:
   a) "Leveraging" a constant theme
   b) Stick with what we're doing well or go for a bigger goal?
   c) Backing
   d) People – Core group of top-notch staff necessary; the transitions were hard for some

Additional Resources:
- Joe Galsciewkz – University of Arizona - Network Theory

Contact: Rebecca Van Marter