



Relevant *reviews*

The Value of Capacity Building

Two books explore ways to boost nonprofit performance.

by Terrence Fernsler

Capacity Building for Nonprofits

*Edited by David J. Kinsey, J. Russell Baker III, and Lilya D. Wagner.
117 pages. Softcover. Hoboken, NJ: Wiley Periodicals, www.wiley.com.*

This book is number 40 of the New Directions for Philanthropic Fundraising series. Using the McKinsey capacity building tool, nonprofit leaders share their experiences with capacity building.

What does it mean to build capacity? It means focusing on your organization's core activities, such as mission, vision, values, strategy, and effectiveness. Capacity building is a long-term, imperfect process, but it can transform your organization into high performance.

Capacity building is often ignored, because program work is still commonly favored over organizational work, especially by major funders. Also, nonprofit leaders are often confused about how to build capacity and frustrated because it takes time to show results.

But increased capacity does lead to increased impact. Setting a clear purpose and strategy is often the first step toward dramatic improvement. The sooner organizations and funders realize this, the better they, the people they serve, and society will be. ■

Investing In Capacity Building: A Guide to High-Impact Approaches

*By Barbara Blumenthal.
278 pages. Softcover. New York, NY: The Foundation Center, www.fdncenter.org.*

In this groundbreaking book, Barbara Blumenthal investigates three innovative ways funders can improve nonprofits' management practices. The first is to use capacity grants to help nonprofits identify needs and hire consultants for on-site work that is otherwise beyond their means. The second is for grantmakers to select a consulting group, called a development partner, to work with a nonprofit. The third is to require nonprofits to go through specific steps in exchange for consulting support.

All three approaches depend on consultants, which goes against conventional wisdom. It is widely believed that consulting isn't suited to capacity building for three reasons: An organization may not be committed to input offered by consultants; consultants are reluctant to deal with critical issues for fear of losing the organization's support; and consultants typically address the presenting issue (which is usually only a symptom of a larger problem) rather than emphasize the need for change and learning. Blumenthal explains how to address these concerns by using what she calls developmental consulting, which encourages client candor, defines roles and expectations, and incorporates learning.

The book is written primarily for grantmakers, but it can also help nonprofits clarify their case for capacity building assistance and discover the approach best suited for them. It is essential for anyone concerned about nonprofit effectiveness. ■

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