



Challenges and Opportunities in Nonprofit Capacity Building

Results of a survey suggest tips you can use to face the winds of change.

By Beth Applegate

Recent research by the Global Committee on the Future of Organization Development shows how capacity-building and organization-development (OD) practices can strengthen nonprofit organizations. Survey results reveal that nonprofit leaders see increasing opportunity for OD and capacity-building work that's critical to the nonprofit sector's future.¹ Overall, these leaders agree more than they disagree about what's important and where they most need assistance. They pointed to five key steps nonprofits need to take:

- Strengthen leadership skills.
- Solve organizational problems systemically.
- Align strategies, people systems, and processes organization-wide.
- Apply organizational change principles.
- Create an organizational culture that supports collaboration and strategic alliances.

Tools to Build Your Capacity

Use these resources (available at www.snpo.org) to begin your capacity-building voyage:

- **The Nonprofit Executive as Chief Learning Officer** (Vol. 16, No. 2)
- **Are You a Collaborative Leader?** (Vol. 15, No. 2)
- **Putting Vision to Powerful Use in Your Organization** (Vol. 13, No. 4)
- **Needed: A Better Grasp of Strategic Planning** (Vol. 24, No. 5)
- **Adapt to Change to Survive** (Vol. 24, No. 2)
- **Collaboration and Leadership: Secrets of Success** (Vol. 24, No. 1)
- **Build Nonprofit Excellence through Capacity Building** (Vol. 26, No. 2)
- **Is Your Organization a Pacesetter?** (Vol. 16, No. 4)

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Even though it's widely recognized that "organizations that invest adequately in their infrastructures and long-term planning are the ones that will survive,"² nonprofits are challenged as never before by the paucity of resources available for building capacity. There are, however, things you, as a nonprofit leader, can do to build your organization's capacity:

Develop an integrated set of practices and values that facilitate continuous learning and self-empowerment. Only a learning organization, with a culture that values knowledge and new ideas, can acquire the confidence and competence it needs to manage future challenges.

Recognize the interconnectedness of the individual, the organization, the communities you serve, and society as a whole.

Evaluate whether your espoused values are congruent with your organization's behavior and actions.

Formulate processes for strategic thinking about the future so that even in the midst of change there's a focus on direction and impact.

Clearly define your organization's mission, vision, and core values.

Adopt ambitious but realistic strategic objectives and organizational goals. Use planning processes that ensure timely and effective implementation of your objectives.

Be sure you have tools in place to evaluate the results of your efforts and the success of your goals.

Build cultural-competency skills throughout your organization. Provide

board and staff training on how to work effectively and sensitively with diverse cultures. Make a point of reaching out to groups with cultures different from your own.

Foster collaborations and relationships across sector boundaries.

Successful nonprofits prepare and plan for long-term change, even as they operate in the present. A scarcity of funding often necessitates a focus on the immediate and urgent. Therefore, nonprofits too often don't make time to pause for an in-depth examination of the organization, its environment, and its future. The inability to hire external capacity-building and OD assistance may further hinder effectiveness, efficiency, and growth. Capacity builders and OD practitioners need to work closely with nonprofit leaders to understand the challenges and opportunities they're facing and help them manage change. ■

Footnotes

¹For full survey results, see "The Future of Organization Development in the Nonprofit Sector," *OD Journal*, 25(4).

²See Paul Lights's *Sustaining Nonprofit Performance: The Case for Capacity Building and the Evidence to Support It*, Brookings Institution Press, <http://www.brookings.edu/press.aspx>.

Articles in this department are written by the staff and members of the Alliance for Nonprofit Management (www.allianceonline.org).

Beth Applegate, MSOD (Applegate Consulting Group, 7417 Cedar Avenue, Takoma Park, Maryland 20912, beth@applegateonline.com, 301-563-7075, www.applegateonline.com) has provided consulting services for over 18 years to nonprofit organizations, governmental agencies, and socially responsible for-profit corporations. She has served in executive staff and board leadership positions with state-wide and national organizations and understands how to put sound theory into practice to build sustainable enterprises.