

Organizational Effectiveness

Highlights from a Literature Review

Table of Contents

Key components of strong and effective organizations.....	5
“Non-Governmental and Not-for-Profit Organizational Effectiveness: A Modern Synthesis” (2011)	5
<i>The Contingency Theory of Organizations</i> (2001).....	5
<i>Good to Great</i> (2001) and <i>Good to Great and the Social Sectors</i> (2005)	6
TCC Group: <i>Building the Capacity of Capacity Builders</i> (2003) and <i>What Makes an Effective Advocacy Organization</i> (2009)	6
<i>McKinsey’s Organizational Capacity Assessment Tool 2.0</i> (2013).....	7
Leap of Reason Ambassadors Community: <i>The Performance Imperative</i> (2015)	7
The Edna McConnell Clark Foundation (2007).....	8
GEO (Grantmakers for Effective Organizations): <i>Strengthening Nonprofit Capacity: Core Concepts in Capacity Building</i> (2016)	8
The Stanford Center on Philanthropy and Civil Society: <i>Integrating Capacity and Strategy: A Handbook for Next-Generation Grantmakers and Grantees</i> (2014).....	9
<i>Stanford Social Innovation Review: “Three Things Every Growing Nonprofit Needs to Scale”</i> (2016).....	9
<i>Stanford Social Innovation Review: “Ten Nonprofit Funding Models”</i> (2009)	10
Nonprofit Finance Fund: <i>Capital Structure Counts: The Business Roots of Capacity and Mission at Nonprofits</i> (2002).....	10
<i>Nonprofit Quarterly: “Analyzing the Dynamics of Funding: Considering Reliability and Autonomy”</i> (2004).....	10
Perspectives on nonprofits’ most common capacity-building needs.....	11
TCC Group: <i>Fortifying L.A.’s Nonprofit Organizations</i> (2010)	11
Foundation Center: <i>Supporting Grantee Capacity: Strengthening Effectiveness Together</i> (2015)	11
Bridgespan: “Nonprofit Capacity Building Needs Assessment” (Unpublished)	12
Edna McConnell Clark Foundation (2007).....	12
Evidence of efficacy in approaches to capacity building	13
<i>Sustaining Nonprofit Performance</i> (2004).....	13
Abt Associates: “Building Non-profit Capacity: Findings from the Compassion Capital Fund Evaluation” (2010)	13
Social Sector Accelerator: <i>Capacity Dividend</i> (2017)	14
Center for Effective Philanthropy (CEP): <i>More than Money</i> (2008).....	14
CEP: <i>In Search of Impact</i> (2006).....	14
TCC Group: <i>General Support for Policy and Advocacy</i> (2014, unpublished)	15
MDRC: <i>Skills to Pay the Bills</i> (2015)	15

Appendices	16
McKinsey: <i>Organizational Capacity Assessment Tool 2.0</i> (2013)	16
TCC Group: <i>Deeper Capacity Building for Greater Impact</i> (2007).....	21
<i>Nonprofit Quarterly</i> : “Analyzing the Dynamics of Funding: Considering Reliability and Autonomy” (2005)	22
Edna McConnell Clark Foundation (2015)	23
Foundation Center: <i>Supporting Grantee Capacity: Strengthening Effectiveness Together</i> (2015)	24
GEO (Grantmakers for Effective Organizations): <i>Strengthening Nonprofit Capacity: Core Concepts in Capacity Building</i> (2015)	25
TCC Group: <i>Building to Last, A Grantmaker’s Guide to Strengthening Nonprofit Organizations</i> (2001)	27
The David & Lucile Packard Foundation: <i>Organizational Effectiveness</i> (2015).....	28
William and Flora Hewlett Foundation: <i>Organizational Effectiveness</i> (2016)	32
MDRC: <i>The Skills to Pay the Bills: An Evaluation of an Effort to Help Nonprofits Manage Their Finances</i> (2015) adapted from Public/Private Ventures	33
References.....	34

What do experts have to say about nonprofit organizational effectiveness? Quite a lot. This paper summarizes some 80 of the most widely cited books, journal articles, publications, and other sources on the topic, authored by academics and practitioners, and spanning both the nonprofit and for-profit domains.

Logic and experience support the link between high-quality organizational strengthening efforts in the nonprofit sector and improved organizational effectiveness. However, the literature contains relatively little rigorous empirical evidence on this topic. Several sources suggest that this gap is due in part to the inherent complexity of measuring such work, as well as the lack of a common framework, language, and metrics in this domain.

Still, significant thought and action have been devoted to the topic by a wide variety of academics and practitioners. Despite much diversity of viewpoints and generally limited evidence, certain points of convergence do appear in treatments of the three key topics covered by this paper:

- 1. Key components of strong and effective organizations:** Researchers suggest that these components depend on a particular organization's internal and external context, although they certainly include basics such as strong leadership, talent, strategy, and programmatic and support functions. Researchers also cite robust finances and funding models, measurement, and ability to adapt as important factors.
- 2. Most common capacity-building needs/desires of nonprofit organizations:** Grantees and grantmakers tend to report that improved financial models and fundraising capabilities are nonprofits' most common needs, followed closely by leadership capacity and sustainability. Data also suggests that such needs vary by organizational size and "life stage."
- 3. Evidence of efficacy in approaches to capacity building:** Empirical evidence on the efficacy of various approaches to capacity building is thin, with most studies relying on self-assessments by grantees. Still, authors note that funders can deploy a wide range of financial and nonfinancial supports, and that grantees report that more comprehensive support has disproportionate impact. General operating funding seems to improve the adaptability and efficiency of an organization but is not necessarily a cure-all. Grantees cite other factors as more important contributors to a funder's impact on their organizations. In terms of delivering nonfinancial supports, one evaluation found that a cohort-based approach was nearly as effective as, and much less expensive than, a one-on-one customized consulting approach.

In this wide body of literature, the approaches we find most powerful are those that are specific to the particular "business" of the target organization and that explain which organizational capacities and types of capital are most essential for success. Finally, in the interests of brevity, we have put detailed explanations and diagrams of the key frameworks in the [Appendices](#).

Key components of strong and effective organizations

The literature on organizational effectiveness in nonprofit organizations shows neither widespread agreement nor strong empirical evidence regarding the key components of a strong and effective nonprofit. Collaborators Jesse Lacy, Hans Peter Schmitz, Haley Swedlund, as well as other scholars, attribute this to a lack of shared definitions and empirical foundations. Researchers like Kennard Wing and Paul Light, working independently, have pointed out the inherent complexity of identifying generalizable traits indicating effectiveness across a broad range of unique organizations. Nonetheless, numerous academics and practitioners have produced frameworks proposing the key factors leading to organizational effectiveness. A few that have been particularly widely cited in the field include:

“Non-Governmental and Not-for-Profit Organizational Effectiveness: A Modern Synthesis” (2011)

Lacy et al.’s exhaustive review of the literature on nonprofit effectiveness—including thousands of citations and a review of over 60 scholarly articles—concludes that theories and frameworks regarding the key elements of a strong organization abound. However, the authors state, “Our research also finds that the majority of articles on NGO/NPO effectiveness lack solid empirical analysis.” Indeed, the authors hypothesize that these factors reinforce one another: the field’s lack of common terms and measures makes it more difficult to build a robust evidence base, and the lack of an evidence base complicates efforts to develop a shared framework with common terms and measures.

Nonetheless, the authors note four elements cited across diverse frameworks as key elements of a strong organization:

1. Managerial effectiveness
2. Program effectiveness
3. Network effectiveness
4. Legitimacy

The Contingency Theory of Organizations (2001)

Writing about the for-profit sector, Lex Donaldson notes in *The Contingency Theory of Organizations* that there is much disagreement on the subject of organizational effectiveness, stating that many business academics believe there is no single list of qualities every organization must possess in order to be effective. By contrast, Donaldson says, “contingency theory” holds that what is necessary for effectiveness depends on “fit” and alignment—internally, externally, and in the linkages between these spheres.

According to Donaldson, internal alignment is about the synchronization of formal and informal internal systems and measures (e.g., internal systems and processes, hiring/retention/firing, social networks, culture, and values), while external alignment is about

fitting the organization to its surrounding world and context (e.g., customer desires, people or organizations to which the company is accountable, fit with cultural milieu). Maintaining strong alignment between the internal and external environments calls for strong leadership and governance.

Good to Great (2001) and Good to Great and the Social Sectors (2005)

By contrast with Donaldson's perspective, Jim Collins cites six common traits that he observed in a deep analysis of particularly effective and enduring companies and that he believes have relevance for social sector organizations. These traits are:

1. Leaders that focus on building organizations instead of building personal prominence
2. A focus on developing bench strength in organizational leadership
3. A belief in the ability to achieve audacious goals while also realistically identifying barriers
4. Strategies that allow one to obtain best-in-class status, develop sustainable resources, and leverage employees' passion
5. Systems that provide structure for employees but freedom to achieve goals
6. An emphasis on continuous improvement

To build the list of "enduring companies" he studied, Collins solicited peer nominations from hundreds of leading CEOs and then engaged in thorough analysis of specific financial and organizational health metrics to determine which ones truly stood out. Collins then developed his list of common traits based on hundreds of interviews with these target companies, together with a review of thousands of prior academic articles.

TCC Group: Building the Capacity of Capacity Builders (2003) and What Makes an Effective Advocacy Organization (2009)

The TCC Group (2003) states that effective nonprofit organizations have four core capacities:

1. Leadership capacity
2. Adaptive capacity
3. Management capacity
4. Technical capacity

Based on its research and consulting work, TCC has also considered how these capacities should manifest themselves in advocacy organizations, in particular emphasizing factors such as leadership's ability to motivate and persuade, adaptable/flexible resources, strong management of relationships, and robust legal knowledge of the advocacy context, among others (2009).

McKinsey's Organizational Capacity Assessment Tool 2.0 (2013)

McKinsey suggests that there are 10 key components of a strong nonprofit organization, including, in order of importance:

1. Aspirations
2. Strategy
3. Leadership, board, and staff
4. Funding
5. Culture and shared values
6. Innovation and adaptation
7. Marketing and communications
8. Advocacy
9. Business processes
10. Infrastructure and organizational structure

This framework represents an evolution of the well-known 2001 version McKinsey created with Venture Philanthropy Partners/Mario Morino. McKinsey's prioritization of various components, and categorization of them into "core" and "crutch" capacities, is relatively unique in the literature.

Leap of Reason Ambassadors Community: The Performance Imperative (2015)

More recently, Mario Morino and 50 coauthors (a diverse set of social sector leaders) have cited seven "pillars" of high-performing nonprofit organizations:

1. Courageous, adaptive leadership
2. Disciplined, people-focused management
3. Well-designed and well-implemented programs and strategies
4. Financial health and sustainability
5. A learning culture
6. Internal monitoring for continuous improvement
7. External evaluation for mission effectiveness

The authors define a high-performing organization as one with the "ability to deliver—over a prolonged period of time—meaningful, measurable, and financially sustainable results for the people or causes the organization is in existence to serve." Particularly notable is this framework's strong emphasis on data-driven measurement, learning, and improvement.

The Edna McConnell Clark Foundation (2007)

From the funder perspective, The Edna McConnell Clark Foundation (EMCF), one of the more significant investors in organizational capacity building over the past decade, defines a strong and effective “growth-ready” organization as one with five key characteristics:

1. Evidence of impact
2. Commitment to evaluation
3. Leadership and management with a track record of achieving the organization’s objectives
4. Sound financials
5. Capacity to increase the number of individuals served

EMCF’s emphasis on measurement and evidence of programmatic outcomes is a differentiator compared with other organizations’ indicators of organizational effectiveness.

GEO (Grantmakers for Effective Organizations): *Strengthening Nonprofit Capacity: Core Concepts in Capacity Building (2016)*

Adding to the funder perspective, GEO’s report is written for other grantmakers and defines capacity building as “the funding and technical assistance necessary to help nonprofits increase specific capabilities to deliver stronger programs, take risks, build connections, innovate and iterate.” These capabilities include:

1. Leadership
2. Mission, vision, and strategy
3. Diversity, equity, and inclusion
4. Program delivery
5. Fund development
6. Financial management
7. Communications
8. Technology
9. Collaboration
10. Evaluation and learning

While listing these capabilities, GEO acknowledges that an organization’s capacity needs are contextual and may vary by size, age, program model, revenue base, and local environment. They also note that while these capacities are all important, it is not necessary for an organization to be equally strong across all of them.

The Stanford Center on Philanthropy and Civil Society: Integrating Capacity and Strategy: A Handbook for Next-Generation Grantmakers and Grantees (2014)

C.R. Hibbs emphasizes that capacity building should not be discussed only when capacity problems arise, but should be purposefully integrated into grantmaking and investment strategy from the beginning. Hibbs delineates 14 areas in which organizations must have basic competency in order to integrate capacity and strategy:

1. Strategic ability and adaptability
2. Leadership
3. Financial health and management
4. Purpose and mission
5. Governance
6. Organizational culture
7. Staff capacity and expertise
8. Human resources and staff development
9. Communications
10. Monitoring and evaluations
11. Legal compliance
12. IT operations and infrastructure
13. Security and facilities
14. Partnerships and alliances

While it is necessary for an organization to be “good enough” in all of these areas, three of them—Strategic Ability and Adaptability, Leadership, and Financial Health and Management—are the key components of success, and the vital foundation on which grantee capacity is built.

The guide also provides specific definitions of what it means to have basic and high-level competency in each capacity area, a tool for beginning the capacity conversation between grantmakers and grantees, and an organizational-capacity typology tool for mapping areas of capacity that organizations generally should prioritize.

Stanford Social Innovation Review: “Three Things Every Growing Nonprofit Needs to Scale” (2016)

Rather than providing lists of key capabilities, Kathleen Kelly Janus, from Stanford’s Program on Social Entrepreneurship, and Valerie Threlfall of Threlfall Consulting share results of a survey of more than 200 high-performing social entrepreneurs. The survey found three essential, interrelated elements for growing a successful nonprofit:

1. A strong team of leaders and board of trustees to support the CEO/ED, enabling her/him to focus on strategy and capital/fund development instead of programmatic issues

2. Robust outcome tracking systems for assessing and communicating program outcomes and improving the organization's speed and ability of fundraising significant-sized grants
3. Access to capital, via staff and board members with connections to significant wealth (foundations, high-net-worth individuals, etc.), for catalyzing growth

Funders can help nonprofits with these elements of successful scaling by such means as funding leadership coaching, aiding in building evaluation systems, and referring grantees to other funders in their networks.

Stanford Social Innovation Review: “Ten Nonprofit Funding Models” (2009)

William Foster and his coauthors from The Bridgespan Group suggest that identifying and successfully implementing a funding model that is well-matched to an organization's work and context is a critical step in building a strong organization. Their detailed analysis (of 144 US nonprofits launched since 1970 that have grown to \$50 million or more in annual revenue) identifies 10 such funding models that may be relevant for many organizations, although what is most important, they state, is that nonprofit leaders carefully consider the topic.

Nonprofit Finance Fund: Capital Structure Counts: The Business Roots of Capacity and Mission at Nonprofits (2002)

In a similar vein, Clara Miller points out that an appropriate capital structure—with *capital structure* defined as the “distribution, nature, and magnitude of an organization's assets, liabilities, and net assets”—is an essential element of a strong and healthy nonprofit organization. The most appropriate structure will vary depending on an organization's underlying “business” (e.g., “providing seats/beds/slots” or “deploying people”) rather than its mission, and on the “developmental stage” of the organization (start-up, steady operations, growth). As an organization evolves into a new “business” or “developmental stage,” its capital structure will need to evolve accordingly in order for the organization to remain strong and viable.

Miller adds that, all else being equal, the more restricted and/or fixed (and therefore less liquid) an organization's assets, the greater the risk that its capital structure may become unsustainable.

Nonprofit Quarterly: “Analyzing the Dynamics of Funding: Considering Reliability and Autonomy” (2004)

In an analysis related to Miller's, Jon Pratt in “The Dynamics of Funding” points out that certain characteristics of funding—specifically the reliability with which it can be raised and the autonomy with which it can be utilized—can affect how effectively a nonprofit can be managed. He maps different types of funding (e.g., endowment, program-restricted, rental income) on a 2x2 matrix of funding “reliability” versus “autonomy,” and notes that funding that is both highly reliable and able to be deployed with high autonomy is the most valuable kind for organizations.

Perspectives on nonprofits' most common capacity-building needs

After considering the core components of a strong and effective nonprofit organization, it is helpful to examine where nonprofits most often fall short and need capacity building. Here too the evidence is limited, as many of the reported results are self-diagnosed and not segmented according to key organizational characteristics (e.g., size). A few common themes do emerge, however. In particular, it appears that capacity building around financial models and fundraising capacity is a key need for small- to mid-sized organizations, though perhaps less of a priority for large ones.

TCC Group: Fortifying L.A.'s Nonprofit Organizations (2010)

Between 2004 and 2010, leaders from 260 organizations used TCC's online Core Capacity Assessment Tool to diagnose their organizations' strengths and weaknesses. The data (TCC, 2010) showed the five most common and significant organizational needs to be:

1. Fundraising
2. Leadership sustainability
3. Marketing
4. Outreach
5. Program evaluation

The majority of reported weaknesses fell within what TCC calls an organization's "technical capacity," that is, its ability to implement key organizational and programmatic functions. The dataset's sample size is larger than that of most other published studies.

Foundation Center: Supporting Grantee Capacity: Strengthening Effectiveness Together (2015)

When a diverse set of 260 grantmakers and grantees responded to a survey about capacity-building priorities, the overall survey results from grantmakers and grantees showed the following as most important:

1. Financial planning
2. Leadership and staffing
3. Strategic planning

Beyond these areas of agreement, grantmakers and grantees diverged in their responses, with grantmakers citing governance and monitoring/evaluation as their other two top priorities while grantees cited communications and fundraising/development.

Bridgespan: “Nonprofit Capacity Building Needs Assessment” (Unpublished)

In this nationwide survey, 225 nonprofit leaders named their top-priority areas for organizational performance improvement, with responses segmented by size of organization (measured by annual budget). The survey revealed that while fundraising is a top capacity-building priority for the smallest nonprofits, it becomes less of a priority as organization size increases.

Org. Budget	First Priority	Second Priority	Third Priority
\$100K–999K	Fundraising	Board Governance	HR Management
\$1M–2.99M	Fundraising Communication/ Marketing	(tie)	Technology
\$3M–9.99M	HR Management	Fundraising	Communication/ Marketing
\$10M–49.99M	Performance Management	Program Evaluation	Succession Planning

Edna McConnell Clark Foundation (2007)

The Edna McConnell Clark Foundation believes that organizations have different strengths and needs depending on their life-cycle stage of development. The foundation cites three such stages—pre-growth ready, growth ready, and sustainable growth—with nonprofits having more significant needs for building organizational capacity (including definition and robustness of funding model) and evidence of programmatic impact at the earlier stages and more need for scaling strategies in the later ones.

Evidence of efficacy in approaches to capacity building

It is helpful to understand what is (and is not) known about the key components of a strong organization, as well as the most common needs and capacity building priorities of nonprofits. The remaining question, therefore, is “what approaches can funders use to most effectively strengthen grantees and help them address their critical needs?” Here again there is limited empirical evidence to indicate which approaches truly help organizations achieve better results, although the literature offers a few insights.

Sustaining Nonprofit Performance (2004)

In his 2004 book, Paul Light conducts his own exhaustive review of the nonprofit capacity-building literature and concludes that “there is very little systematic evidence on whether and how capacity building works.”

Light cites a number of reasons for this, chief among them the difficulty of establishing standardized measures of performance for many areas of capacity building, such as board development or strategic planning, where metrics are not as easy to come by as they are for fundraising or financial planning. He points out that, historically, very few nonprofits have regularly or robustly measured programmatic outcomes. Without a baseline of performance to measure against, it is impossible for evaluators to measure any change in actual effectiveness, even setting aside the additional complexities of attributing performance gains to specific capacity-building approaches.

Abt Associates: “Building Non-profit Capacity: Findings from the Compassion Capital Fund Evaluation” (2010)

Several years after Light’s study, Abt Associates echoed his findings in its own literature review, stating, “While considerable resources have been devoted to capacity-building programs, we have limited rigorous evidence about the extent to which such programs actually build capacity, and if they do, whether nonprofits with greater capacity actually have larger impacts on clients and constituents.”

To help develop a stronger base of evidence for answering the first of these two questions, Abt Associates conducted the first random-assignment evaluation of a capacity-building program, specifically the Compassion Capital Fund (CCF) Demonstration Program, a US Department of Health and Human Services initiative to strengthen nonprofit organizations. Abt found that nonprofits that received comprehensive capacity-building support (training, technical assistance, and financial awards) reported experiencing notable improvements across each of five critical outcome areas, more so than the control group of similar organizations that did not receive the same comprehensive level of support. These five outcome areas are:

1. Organizational development (e.g., long-term planning, HR management, financial planning)

2. Program development (e.g., program evaluation, service expansion)
3. Revenue development (e.g., revenue development plans, hiring grant writers)
4. Leadership development (e.g., executive development, professional development for staff)
5. Community engagement (e.g., local partnerships, local advertising)

Social Sector Accelerator: *Capacity Dividend* (2017)

More recently Social Sector Accelerator, in conjunction with IO Sustainability, conducted a landscape analysis of existing capacity-building research, including “research from nearly 60 academic, think-tank, and thought leader sources published after 1990.”

Among its other insights, the review found several studies that use qualitative or self-reported data to support the hypothesis of a positive relationship between capacity building and social impact, as well as one study showing quantified economic returns to capacity building. However, the research concluded that there is, overall, “a lack of robust empirical research linking capacity building support with improvements in measures of organizational effectiveness, and even less research linking capacity building with greater social impact.”

Center for Effective Philanthropy (CEP): *More than Money* (2008)

CEP notes that both financial and nonfinancial supports can be used to strengthen organizations. When it comes to nonfinancial supports, CEP’s analysis of survey responses from 200 grantmakers and some 21,000 grantees found grantees reporting notable impacts on their organizations and their ability to achieve results only when funders provided a “comprehensive” bundle of assistance beyond the grant (i.e., eight to nine types of support such as strategic planning advice, convenings, trainings, etc.). Such intense support, of course, comes at a price: program staff that provide it tend to manage fewer active grants and give larger ones, representing a significant investment on the part of their foundations.

CEP: *In Search of Impact* (2006)

CEP’s analysis shows that while grantees prefer general operating support, their survey responses indicate that funder engagement and expertise have a much more significant impact on grantee organizations. Grantees also report that grant duration and size matter to them as much as grant type (e.g., general operating support or program-restricted). CEP’s focus on the grantee perspective and its very large dataset (about 20,000 grantee survey responses) set this study apart from others reviewed here.

TCC Group: *General Support for Policy and Advocacy* (2014, unpublished)

Treating one specific kind of financial support, Jared Raynor reports that TCC evaluations show general operating support having a number of important and positive impacts on policy and advocacy organizations. One such impact is that this kind of financial support is very effective at helping organizations improve their adaptive capacity, increase their collaborative efforts, and hire staff with specific and important expertise (either for programmatic or operational roles). TCC also finds, however, that such support has less effect on the general management capacity of organizations, and that grantees are not likely to use it for traditional capacity-building activities—board development, strategic planning, evaluation, knowledge management, staff training, etc.—unless these are spelled out in the grant agreement. Finally, TCC finds that strong leadership in grantee organizations is essential to achieving significant impact with general operating support.

MDRC: *Skills to Pay the Bills* (2015)

A fairly rigorous MDRC evaluation, commissioned by The Wallace Foundation and Child Trends, compared two different ways of delivering financial and technical support to nonprofit organizations and found that a group-learning approach was nearly as effective as customized one-on-one consulting at improving grantees' financial practices (e.g., having financial software, having qualified staff, producing regular financial reports). This finding has important implications, as the financial and technical support given the organizations in the study that received customized consulting was significantly more expensive than that received by the peer-learning group. The design and length (four years) of the evaluation summarized here were more rigorous than many other such efforts in this domain, although the outcomes measured are intermediate rather than final.

Appendices

McKinsey: *Organizational Capacity Assessment Tool 2.0* (2013)

OCAT 2.0: Capacity Framework



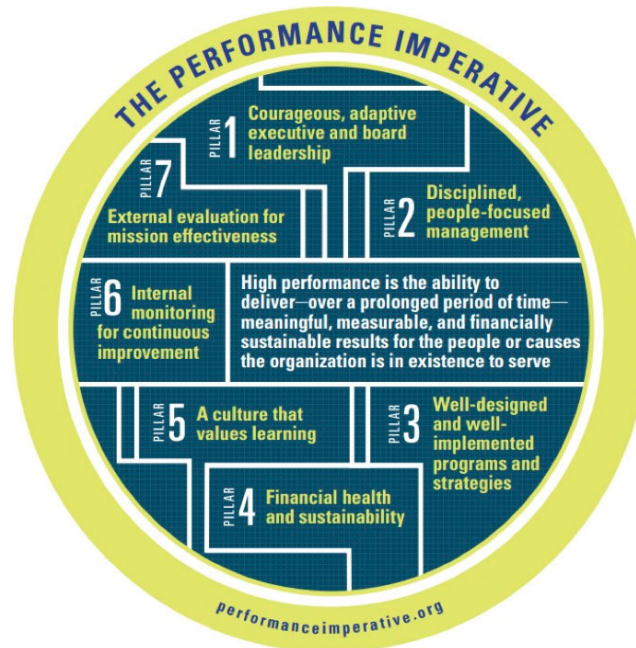
Capacity	Components
1 Aspirations	<ul style="list-style-type: none"> • Clear vision that inspires others • Strong mission that guides daily work
2 Strategy	<ul style="list-style-type: none"> • A theory of change • Alignment between programs and organizational purpose • An understanding of scaling opportunities • Effective strategy development and revision processes
3 Leadership, board, and staff	<ul style="list-style-type: none"> • Effective, experienced leadership team • Engaged, enthusiastic board • Ability to recruit, develop, and retain talent
4 Funding	<ul style="list-style-type: none"> • Sustainable funding model that enables growth • Effective budget management

Capacity	Components
5 Values	<ul style="list-style-type: none"> • Shared beliefs and values • Accountability for day-to-day progress • Results orientation • Strong organizational norms
6 Learning and innovation	<ul style="list-style-type: none"> • Ability to innovate • Performance assessment system in place • Ability to develop and manage information • Feedback and learning assessment loop
7 Marketing and communications	<ul style="list-style-type: none"> • Effective internal and external communications • Effectively build brand awareness and reputation • Effective media usage • Consistent messaging
8 Advocacy	<ul style="list-style-type: none"> • Awareness of complete issue landscape and key players • Relationship management system • Ability to influence effectively
9 Business processes	<ul style="list-style-type: none"> • Operational plan mapped to core mission • Processes that improve how the organization functions • Systems that enable the organization to execute programs effectively
10 Infrastructure and organization structure	<ul style="list-style-type: none"> • Organizational design that facilitates the work done • Buildings and office space that matches organization's needs • Correct financial management and IT systems

Source: McKinsey

Leap of Reason Ambassadors Community: *The Performance Imperative* (2015)

The Performance Imperative



Source: performanceimperative.org

Capacity	Components
1 Courageous, adaptive executive and board leadership	<p>Execs and boards:</p> <ul style="list-style-type: none"> • Feel responsible for developing meaningful, measurable, and financially sustainable results • Boards are strong, assertive governors and stewards • Are able to clarify mission and inspire others to work towards it • Recruit, develop, engage, and retain the talent necessary to deliver on their mission • Marshal the external partners and resources necessary • Push the organization to get better at meeting its mission and to reduce costs • Seek and act on feedback on their own performance and the organization's performance • Constantly assess what the organization should do and should stop doing • Clearly define their respective roles • Provide thoughtful, clear, informative, and timely internal and external communications

Capacity	Components
2 Disciplined, people-focused management (distinction drawn between leadership and management at budget levels of \$1M to \$2M)	<p>Managers:</p> <ul style="list-style-type: none"> • Translate leaders' drive for excellence into clear work plans and incentives to carry out work • Decisions are data informed whenever possible • Recruit, develop, engage, and retain the talent necessary to deliver on mission • Provide opportunities for staff to see how their work contributes to delivering desired results • Establish accountability systems that provide clarity about standards for success and provide room for staff to be creative about how they achieve these standards • Provide continuous feedback to team members • Acknowledge when staff members are not doing their work well and are not afraid to make tough personnel decisions
3 Well-designed and well-implemented programs and strategies	<p>Leaders and managers:</p> <ul style="list-style-type: none"> • Are clear on the target population or audience • Base program and strategy design on a sound analysis of the issues • Develop insights from intended beneficiaries and evidence-informed assumptions about how the organization's activities can lead to desired change • Design programs with careful attention to the larger ecosystem in which they operate • Implement their programs in a consistently high quality manner • Recruit, retain, motivate, listen to, and learn from their participants and intended beneficiaries • Guard against the temptation to veer off course in search of numbers that look good in marketing materials or reports to funders • Direct service organization leaders and managers invest in building strong relationships between staff and participants
4 Financial health and sustainability	<p>The board and senior management:</p> <ul style="list-style-type: none"> • Take charge of their organization's financial destiny by articulating the value they deliver and developing overall financing strategies • Establish strong systems for financial stewardship and accountability • Participate in budget processes that are oriented toward achieving results and not just conducting activities • Share their financial results transparently with key stakeholders regularly • Nurture the external financing relationships required to support their operations • Operate organizations with margins that allow them to build their balance sheet • Understand their organization's cost structure • Use financial models to make clear and transparent the organization's financial condition and predict how it will end the year • Instill organization-wide discipline of compliance with all regulatory requirements

Capacity	Components
5 A culture that values learning	<p>Board, management, and staff:</p> <ul style="list-style-type: none"> • Understand the organization's mission and desired results and review them periodically • Continually seek to do even better for the people or causes they serve • Have high expectations of themselves and their peers • Collect and use information to ensure meaningful, measurable, and sustainable good • Look for opportunities to benchmark themselves against, and learn from, peer organizations • Lead by example and encourages people throughout the organization to be curious, ask questions, and push each other's thinking • Create conditions for staff members to feel safe acknowledging when there are problems • Carve out some time to step back, take stock, and reflect
6 Internal monitoring for continuous improvement	<p>Board, management, and staff:</p> <ul style="list-style-type: none"> • Establish clear metrics, tightly aligned with the results they want to achieve, for each program and the organization as a whole • Produce frequent reports on how well the organization is implementing its programs and strategies • Make the collection, analysis, and use of data part of the organization's DNA • Don't collect excess information • Draw extensively on lessons from organization assessments and evaluations of like programs
7 External evaluation for mission effectiveness	<p>Leaders:</p> <ul style="list-style-type: none"> • Complement internal monitoring with external evaluations conducted by highly skilled, independent experts • Commission external assessments to learn more about how well their programs are being run, what these programs are or are not accomplishing, who is or is not benefiting, and how the programs can be strengthened • Recognize that there are many different types of external assessments and that no one type is right for every organization or for every stage of an organization's development • Assess whether they are having a positive net impact beyond what would have happened anyway • Commission additional assessments to gauge their impact in new settings • Share the methodology and results of external assessments

Source: Leap of Reason Ambassadors Community

TCC Group: *Deeper Capacity Building for Greater Impact* (2007)

Deeper Capacity Building for Greater Impact

Adaptive capacity

The ability to monitor, assess, respond to, stimulate internal and external changes

- Needs assessment
- Program evaluation
- Planning
- Organizational assessment
- Knowledge management
- Collaborations and partnership

Leadership capacity

The ability of all organizational leaders to inspire, prioritize, make decisions, provide direction, and innovate

- Board development
- Executive leadership development
- Leadership transitions

Management capacity

The ability to ensure the effective and efficient use of organizational resources

- Human resource development and management
- Internal communications
- Financial management

Technical capacity

The ability to implement all of the key organizational functions and deliver programs and services

- Services delivery
- Fundraising
- Accounting
- Evaluation
- Marketing and communications
- Facilities management
- Outreach and advocacy
- Earned income generation
- Technology
- Legal

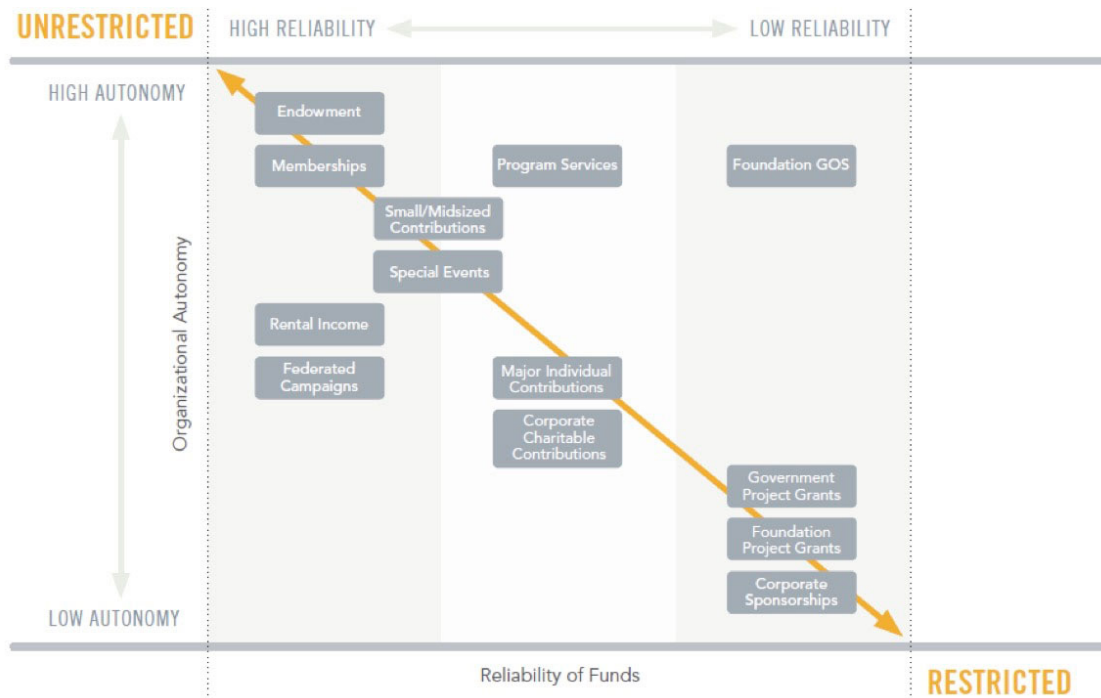
Capacity	Definition
Adaptive capacity	The ability to monitor, assess, respond to and create internal and external changes
Leadership capacity	The ability to create and sustain a vision, to inspire, to model, to prioritize, to make decisions, to provide direction, and to innovate—all in an effort to achieve an organization's mission
Management capacity	The ability to use resources effectively and efficiently
Technical capacity	Resources (e.g., skills, experience, knowledge, tools, facilities, technology, etc.) needed to implement programmatic, organizational and community strategies

Source: TCC Group

Nonprofit Quarterly: “Analyzing the Dynamics of Funding: Considering Reliability and Autonomy” (2005)

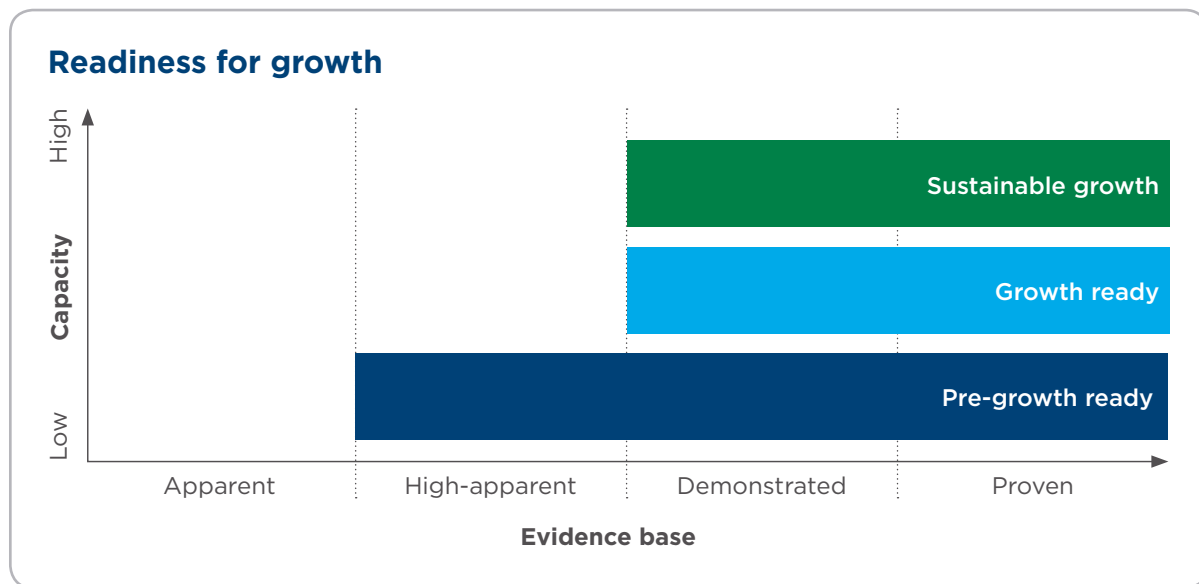
Reliability/Autonomy Matrix

For grantmakers, the matrix underscores the importance of unrestricted funding in supporting nonprofit sustainability.



Source: Nonprofit Quarterly

Edna McConnell Clark Foundation (2015)

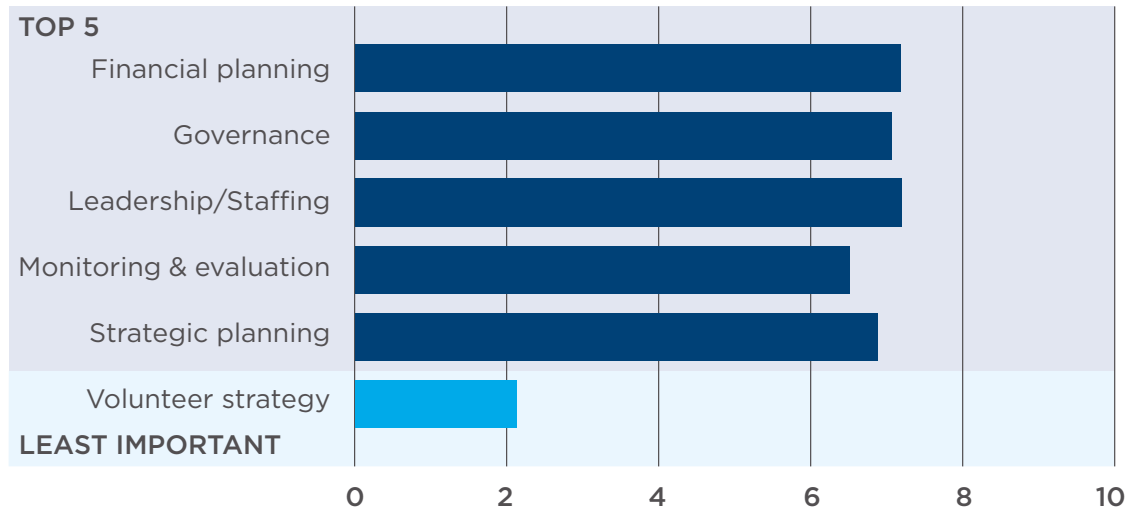


Growth category	Level of evidence	Level of organizational capacity
Pre-Growth Ready	Systematically collect data that shows young people benefitting from programs	Financially sound but lacks a tested model for financial sustainability and has various needs to address around organizational capacity
Growth Ready	Demonstrated impact by third-party evaluator who compares outcomes for young people in the program with similar youth not receiving program services	Demonstrated capacity to manage growth, tested a financial model to support their core programs, developed a model to support further expansion
Sustainable Growth	Program impact has been scientifically confirmed, preferably through randomized control trials	Economic models have promise of financial sustainability

Source: Edna McConnell Clark Foundation

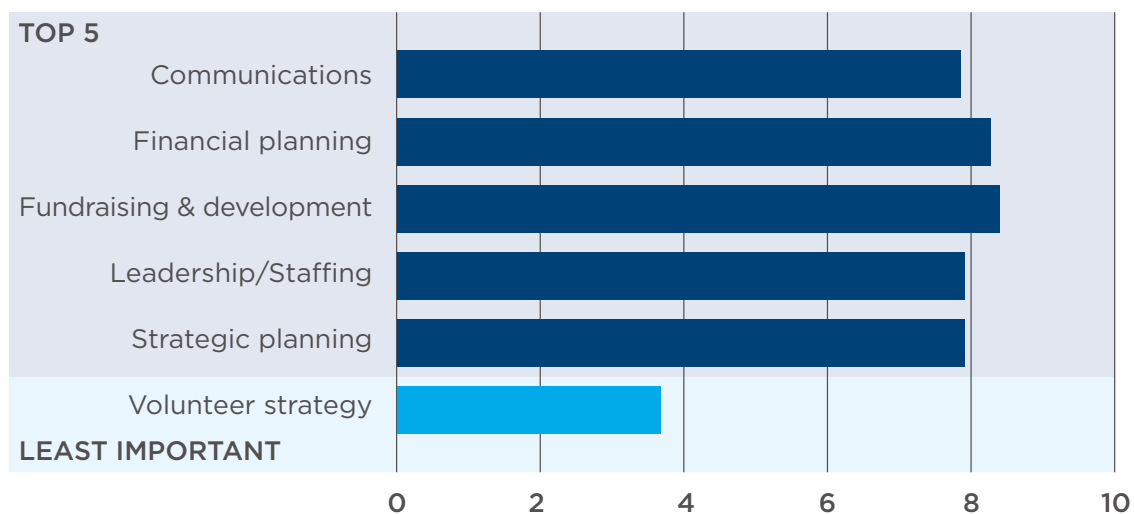
Foundation Center: *Supporting Grantee Capacity: Strengthening Effectiveness Together* (2015)

Grantmakers' response to "Please rank the importance of each of these areas of capacity building as shown by what your foundation or a foundation that you work with is most likely to support, even if there is no explicit capacity building strategy" (Pond, 2015, p. 6)



Note: Answered-122, Skipped-138

Grantees' response to "Please rank the capacity building needs that you have observed at your nonprofit or nonprofits you have worked with" (Pond, 2015, p. 27)



Note: Answered-67, Skipped-193

Source: Foundation Center

GEO (Grantmakers for Effective Organizations): Strengthening Nonprofit Capacity: Core Concepts in Capacity Building (2015)

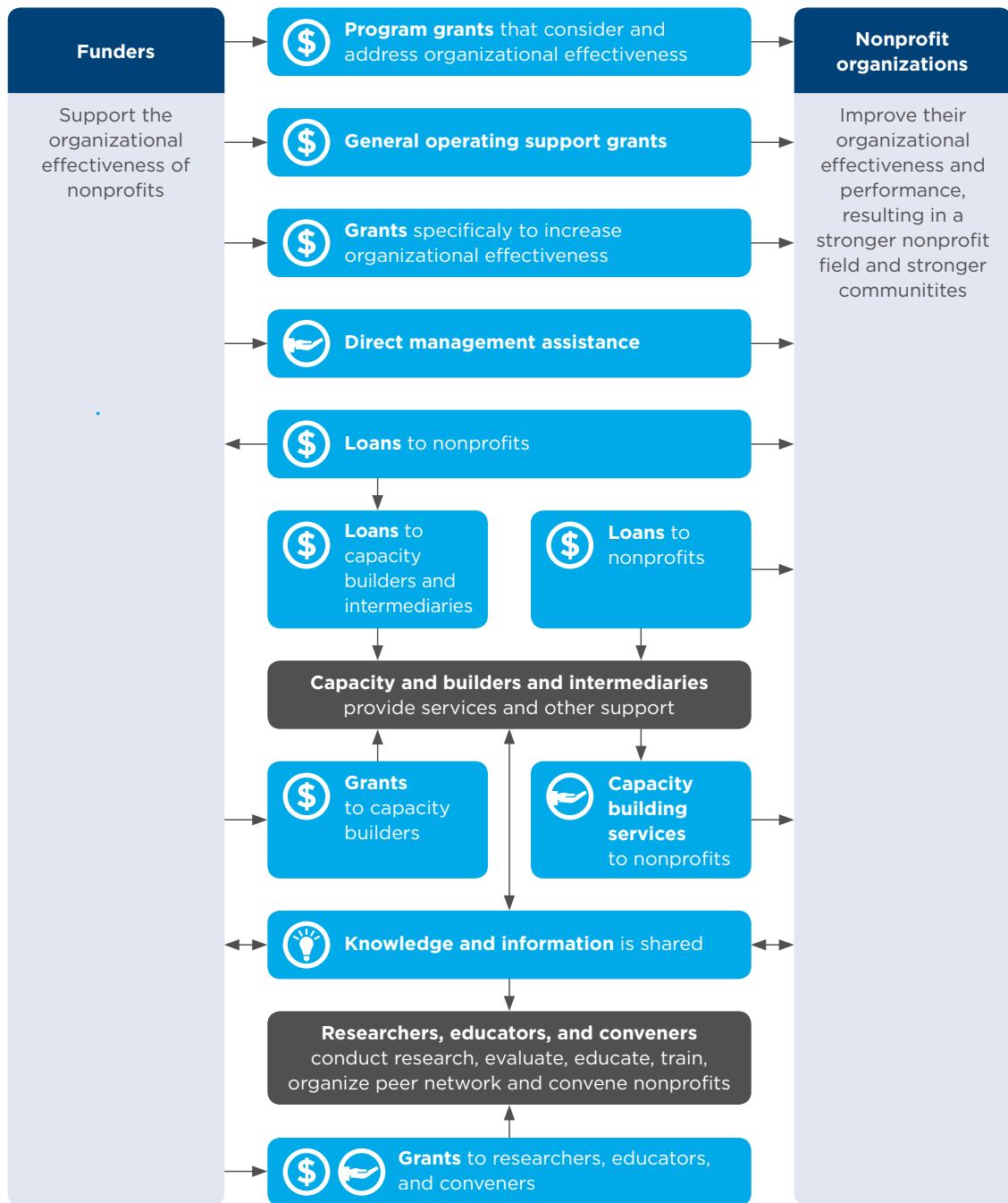
Type of support	Benefits	Limitations	Example
Unrestricted support— general operating grants	<ul style="list-style-type: none"> Providers much-needed multiyear unrestricted funding Grants are paid in full and up front, and grantees can use the funds to support their priorities and needs Allows grantees to drive the timing and pacing of capacity-building work 	<ul style="list-style-type: none"> Some nonprofits may find it difficult to prioritize investing in organizational capacity building, likely a result of a historic underinvestment by funders in this area Measuring impact requires different models 	Weingart Foundation in Los Angeles gives the majority of its grants as unrestricted support and has found that most grantees use this funding for organizational capacity building.
Organizational capacity-building grants Grant support focused on building capacities, such as leadership, fundraising, communications, evaluation, collaborative capacities, and more	<ul style="list-style-type: none"> Targeted support to meet specific needs that may not be funded from other sources May help set the stage for organizational growth and development 	<ul style="list-style-type: none"> It can be difficult to determine which capacities to prioritize and to ensure grant timing and readiness for the work 	The Meyer Foundation's Management Assistance Program provides capacity-building grants of up to \$25,000 targeted at activities to strengthen management and leadership skills.
<i>Plus technical assistance—</i> grant support plus technical support from consultants on foundation staff that is focused on building specific organizational capacities; can include technical assistance programs, training, organizational assessments and engagements	<ul style="list-style-type: none"> Targeted support to meet specific needs that may not be funded from other sources Grantmakers are involved in designing the technical assistance engagement (with varying degrees of involvement from grantees) Grants funds can be used to help with implementation of follow-up after the technical assistance Technical assistance from an outside provider can allow for a more objective approach 	<ul style="list-style-type: none"> It can be difficult to determine which capacities to prioritize Grantmakers may not have the expertise to design technical assistance or assess skills of consultants Technical assistance that is too funder driven will be less effective—input from grantees is critical Off-the-shelf capacity-building interventions can be less effective; customized support is more time and resource intensive 	The Pierce Family Foundation supports capacity building through grants and technical assistance opportunities such as workshops, peers skill sharing and access to nonprofit coaches and consultants.

Type of support	Benefits	Limitations	Example
Grants to build capacity collectively —grants to build the capacity of a group of grantees, networks or other collaborative efforts, instead of the capacity of individual grantees	<ul style="list-style-type: none"> Recognizes the need for multiple actors working to address social issues Provides critical funding to help strengthen collaborative efforts Encourages grantees and partners to work together 	<ul style="list-style-type: none"> It can be difficult to determine how best to structure the support Outcomes may be unclear given multiple actors and efforts Grantmakers must make multiyear commitments in order for the support to be meaningful 	The Greater New Orleans Foundation's Stand Up for Our Children initiative works to build the capacity and advocacy skills of organizations that are key to attaining positive outcomes for children in Southeast Louisiana.
Grants to technical services providers, intermediaries or researchers —grants or contracts to build the capacities of capacity-building providers or develop knowledge and practice in the field	<ul style="list-style-type: none"> Helps ensure nonprofits have access to knowledge, experience and resources to best build their capacity Can offer economies of scale Can offer expertise the grantmaker doesn't have on staff 	<ul style="list-style-type: none"> Grant decisions may require a different set of knowledge or experience than the grantmaker possesses to make grant decisions Some potential grant or contract recipients may fall outside the foundation's funding guidelines Technical assistance alone can be less effective for grantees than when combined with funding 	A key component of Wilburforce Foundation's capacity-building strategy is supporting Training Resources for the Environmental Community, which provides capacity-building training, organizational effectiveness services and leadership coaching to conservation organizations in the North American West.

Source: Grantmakers for Effective Organizations

TCC Group: Building to Last, A Grantmaker's Guide to Strengthening Nonprofit Organizations (2001)

Many tools for one job: Building nonprofit organizational effectiveness

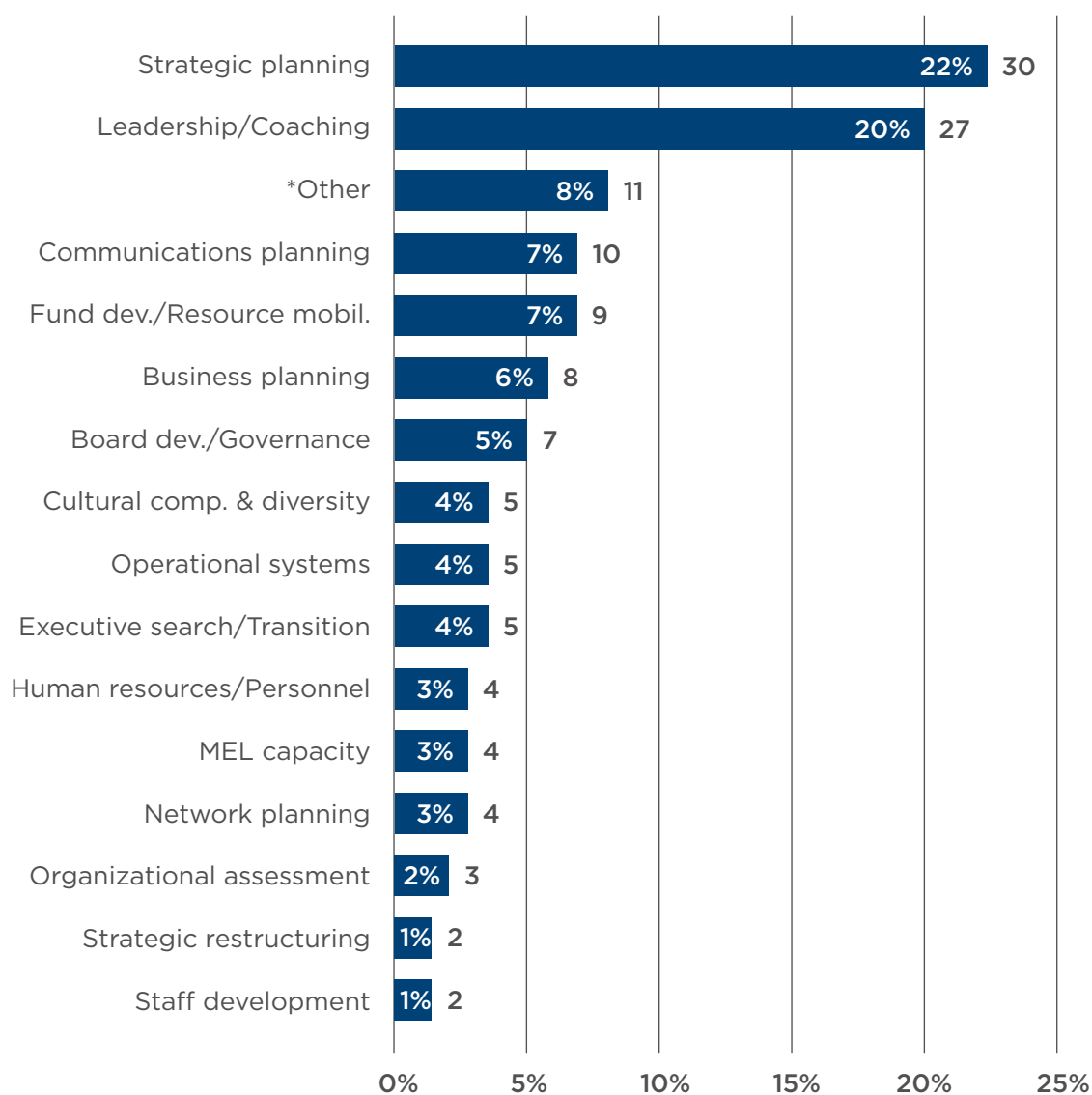


Source: TCC Group

The David & Lucile Packard Foundation: *Organizational Effectiveness* (2015)

Number of organizational effectiveness (OE) projects funded in 2015 by project focus type

(136 projects funded via 88 grants)

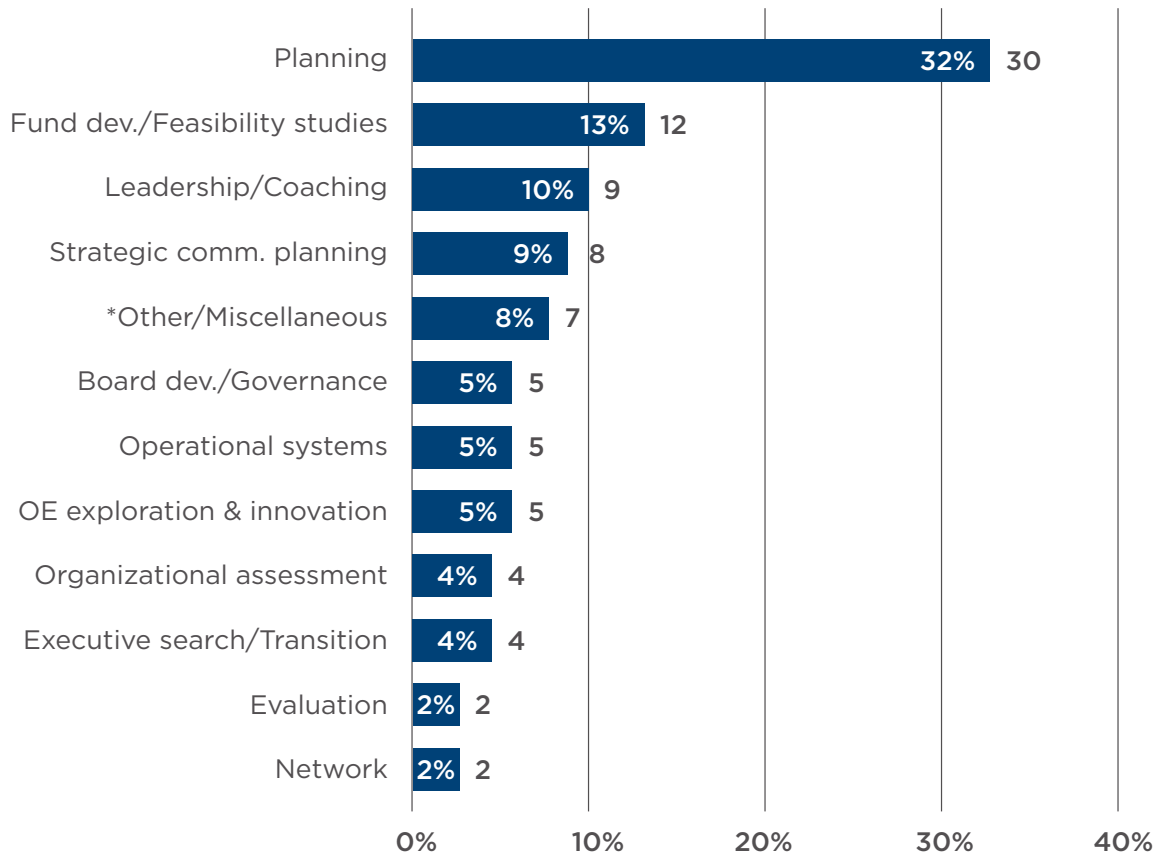


Note: *Other includes miscellaneous (9), fundraising studies (1), and marketing & brand strategy (1) projects.

Source: The David & Lucile Packard Foundation

OE grants awarded in 2014 by primary project focus

(% and number of grants of 93 total)



Note: *Other/Miscellaneous includes miscellaneous (3), facilities (1), strategic restructuring (1), human resources/personnel (1), and staff development (1) projects.

Source: The David & Lucile Packard Foundation

OE grants awarded in 2013 by primary project focus

OE grantees pursued a wide variety of projects in 2013 but, as in past years, strategic planning was by far the most popular use of OE funding



Note: *Other includes miscellaneous (2), organizational assessment (1), and staff development (2) projects.

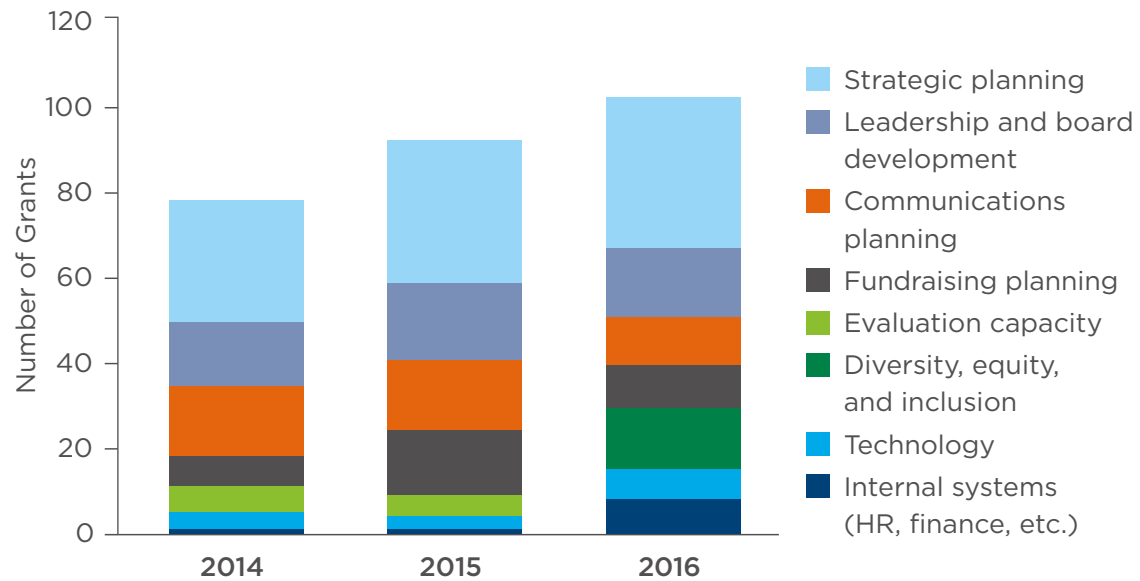
Source: The David & Lucile Packard Foundation

Project Type	Number of grants				
	2015	2014	2013	2012	2011
Planning	30	30	18	35	32
Fund Development	9	12	11	11	16
Leadership & Coaching	27	9	4	3	3
Network Effectiveness	4	2	6	5	3
Strategic Communications Planning	10	8	13	11	12
Executive Search/Transition	5	4	5	3	4
Organizational Assessment	3	4		4	4
Evaluation	4	2	3	3	6

Source: The David & Lucile Packard Foundation

William and Flora Hewlett Foundation: *Organizational Effectiveness* (2016)

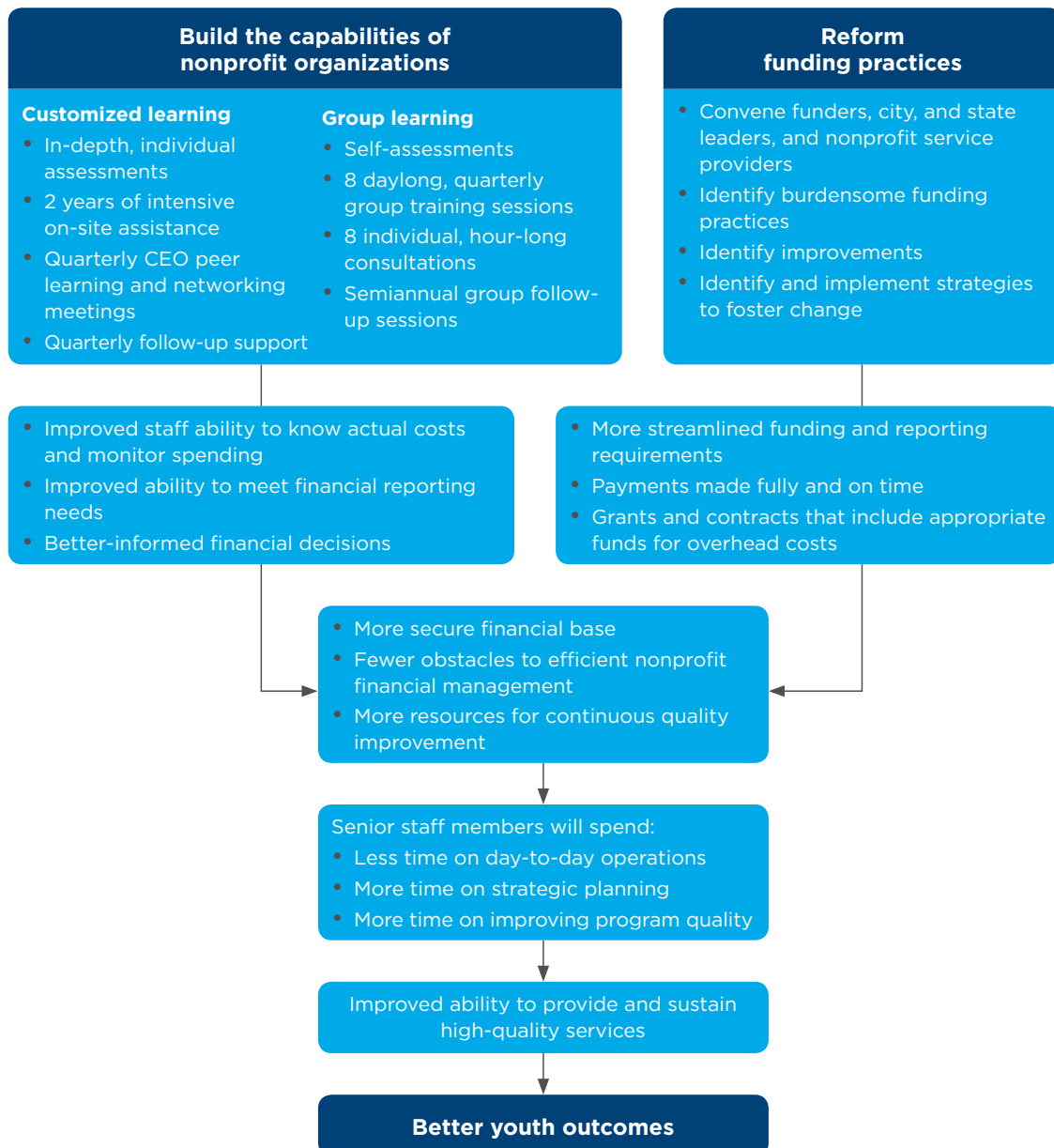
Organizational Effectiveness Grant Trends by Project Type: 2014–2016



Source: William and Flora Hewlett Foundation

MDRC: *The Skills to Pay the Bills: An Evaluation of an Effort to Help Nonprofits Manage Their Finances* (2015) adapted from Public/Private Ventures

**Building Stronger Nonprofits through Better Financial Management:
Early Efforts in 26 Youth-Serving Organizations**



Source: MDRC

References

Center for Effective Philanthropy

Buteau, Ellie, Andrea Brock, and Mark Chaffin. *Nonprofit Challenges: What Foundations Can Do*. Center for Effective Philanthropy, 2013.

Buteau, Ellie, Phil Buchanan, Cassie Bolanos, Andrea Brock, and Kelly Chang. *More than Money: Making a Difference with Assistance Beyond the Grant*. Center for Effective Philanthropy, 2008.

Huang, Judy, Phil Buchanan, and Ellie Buteau. *In Search of Impact: Practices and Perceptions in Foundations' Provision of Program and Operating Grants to Nonprofits*. Center for Effective Philanthropy, 2006.

Parker, Susan, and Judith A. Ross. *Lessons from the Field: From Understanding to Impact. CEP Case Study No. 5*. Center for Effective Philanthropy, 2010.

Edna McConnell Clark Foundation

Edna McConnell Clark Foundation. "About Us." <http://www.emcf.org/about-us/>.

———. "Our Investment Approach." <http://www.emcf.org/our-strategy/our-investment-approach/>.

———. "Our Strategies." <http://www.emcf.org/our-strategies/>.

PropelNext. "PropelNext: An initiative of the Edna McConnell Clark Foundation." <http://www.propelnext.org/>.

Rodriguez, Lissette. "Update on PropelNEXT." Accessed June 15, 2015. <http://www.emcf.org/annual-reports/2012/propelnext-update/>.

For-profit literature

Cameron, Kim S. and David A. Whetten, editors. *Organizational Effectiveness: A Comparison of Multiple Models*. New York: Academic Press, 1983.

Collins, Jim. *Good to Great and the Social Sectors: Why Business Thinking Is Not the Answer*. New York: HarperCollins, 2005.

———. *Good to Great: Why Some Companies Make the Leap...And Other's Don't*. New York: HarperCollins, 2001.

Collins, Jim, and Jerry Porras, *Built to Last: Successful Habits of Visionary Companies*. New York: HarperCollins, 1994.

Donaldson, Lex. *The Contingency Theory of Organizations*. Thousand Oaks, CA: Sage Publications, Inc., 2001.

Drucker, Peter. *Managing in Turbulent Times*. New York: Harper & Row, 1980.

Goleman, Daniel. "The Focused Leader." *Harvard Business Review*, December 2013.

Peters, Thomas J., and Robert H. Waterman Jr. *In Search of Excellence: Lessons from America's Best-Run Companies*. New York: Harper & Row, 1982.

Foundation Center

Blumenthal, Barbara. *Investing in Capacity Building: A Guide to High-Impact Approaches*. New York: Foundation Center, 2003.

Light, Paul, Elizabeth Hubbard, and Barbara Kibbe. *The Capacity Building Challenge: Part I—A Research Perspective; Part II—A Funder's Response*. New York: Foundation Center, 2004.

Pond, Anna. *Supporting Grantee Capacity: Strengthening Effectiveness Together*. GrantCraft, 2015.

Grantmakers for Effective Organizations

Burd, Nancy. *On The Money: The Key Financial Challenges Facing Nonprofits Today—and How Grantmakers Can Help*. Grantmakers for Effective Organizations, 2009.

La Piana Consulting. *Due Diligence Done Well: A Guide for Grantmakers*. Grantmakers for Effective Organizations, 2010.

Grantmakers for Effective Organizations. *Strengthening Nonprofit Capacity: Core Concepts in Capacity Building*. 2016.

———. *Strengthening Nonprofit Capacity*. 2015.

Research Center for Leadership in Action at NYU Wagner. *The Wallace Foundation's Education Leadership Professional Learning Communities: A Case Study*. 2012.

Woodwell, William. *General Operating Support: Action Guide*. Grantmakers for Effective Organizations, 2007.

———. *General Operating Support Volume 2: Assessing the Impact*. Grantmakers for Effective Organizations, 2008.

Human Interaction Research Institute

Backer, Thomas E. *Strengthening Nonprofits: Capacity Building and Philanthropy*. Human Interaction Research Institute, 2000.

Backer, Thomas E., Alan Miller, and Jane Ellen Bleeg. *Donor Perspectives on Nonprofit Capacity Building*. Human Interaction Research Institute, 2004.

Backer, Thomas E., Jane Ellen Bleeg, and Kathryn Groves. *Exploring Foundation Financial Investments in Nonprofit Capacity Building*. Human Interaction Research Institute, 2006.

Morino Institute

Leap of Reason Ambassadors Community. *The Performance Imperative: A Framework for Social-Sector Excellence*. Morino Institute, 2015.

McKinsey & Company/Venture Philanthropy Partners

McKinsey & Company. *Effective Capacity Building in Nonprofit Organizations*. Venture Philanthropy Partners, 2001.

———. *The Organizational Capacity Assessment Tool (OCAT): 2.0*. Accessed June 15, 2015. https://mckinseysociety.com/downloads/tools/OCAT/OCAT_brochure_v6.pdf.

Nonprofit and Voluntary Sector Quarterly

Grieco, Cecilia, Laura Michelini, and Gennaro Iasevoli. "Measuring Value Creation in Social Enterprises: A Cluster Analysis of Social Impact Assessment Models." *Nonprofit and Voluntary Sector Quarterly* 44 (2015): 1173-1193.

Herman, Robert, and David Renz. "Theses on Nonprofit Organizational Effectiveness." *Nonprofit and Voluntary Sector Quarterly* 28 (1999): 107-126.

Liket, Kellie, and Karen Maas. "Nonprofit Organizational Effectiveness: Analysis of Best Practices." *Nonprofit and Voluntary Sector Quarterly* 44 (2015): 268-296.

Minzner, Amy, Jacob Kerman, Carrie Markovitz, and Barbara Fink. "The Impact of Capacity Building Programs on Nonprofits: A Random Assignment Evaluation." *Nonprofit and Voluntary Sector Quarterly* 43 (2014): 547-569.

Sowa, Jessica, Sally Coleman Selden, and Jodi Sandfort. "No Longer Unmeasurable? A Multidimensional Integrated Model of Nonprofit Organizational Effectiveness." *Nonprofit and Voluntary Sector Quarterly* 33 (2004): 711-728.

Wing, Kennard. "Assessing the Effectiveness of Capacity-Building Initiatives: Seven Issues for the Field." *Nonprofit and Voluntary Sector Quarterly* 33 (2004): 153-160.

Nonprofit Finance Fund

Miller, Clara. "Hidden in Plain Sight: Understanding Nonprofit Capital Structure." *Nonprofit Quarterly* 10 (2003): 1-8.

———. *Nonprofit Finance Fund: Capital Structure Counts: The Business Roots of Capacity and Mission at Nonprofits*. Nonprofit Finance Fund, 2002.

Nonprofit Finance Fund. "Kinds of Capital." <http://www.nonprofitfinancefund.org/fundamental/kinds-capital>.

Overholser, George. "Nonprofit Growth Capital: Defining, Measuring and Managing Growth Capital in Nonprofit Enterprises (Part One: Building is not Buying)." Nonprofit Finance Fund, 2010.

TCC Group

Connolly, Paul. *Building to Last: A Grantmaker's Guide to Strengthening Nonprofit Organizations*. TCC Group, 2001.

———. *Deeper Capacity Building for Greater Impact: Designing a Long-term Initiative to Strengthen a Set of Nonprofit Organizations*. TCC Group, 2007.

———. *Maximizing Foundation Effectiveness: Aligning Program Strategy, Organizational Capacity, Strategic Planning, and Performance Assessment to Achieve Success*. TCC Group, 2008.

Connolly, Paul, and Peter York. *Building the Capacity of Capacity Builders: A Study of Management Support and Field-Building Organizations in the Nonprofit Sector*. TCC Group, 2003.

Raynor, Jared. *General Support for Policy and Advocacy: Evaluating What Works, What Doesn't and Why*. TCC Group (unpublished), 2014.

Raynor, Jared, Chris Cardona, Thomas Knowlton, Richard Mittenenthal, and Julie Simpson. *Capacity Building 3.0: How to Strengthen the Social Ecosystem*. TCC Group, 2014.

TCC Group. *Fortifying L.A.'s Nonprofit Organizations: Capacity-Building Needs and Services in Los Angeles County*. 2010.

York, Peter. *The Sustainability Formula: How Nonprofit Organizations Can Thrive in the Emerging Economy*. TCC Group, 2009.

The Bridgespan Group

Foster, William, and Gail Fine. "How Nonprofits Get Really Big." *Stanford Social Innovation Review*, Spring 2007.

Foster, William, Peter Kim, and Barbara Christiansen. "Ten Nonprofit Funding Models." *Stanford Social Innovation Review*, Spring 2009.

Huang, Judy, and Willa Seldon. "Lessons in Funder Collaboration: What the Packard Foundation Has Learned about Working with Other Funders." The Bridgespan Group, 2014.

Kramer, Kirk, and Daniel Stid. "The Effective Organization: Five Questions to Translate Leadership into Strong Management." The Bridgespan Group, 2009.

Kramer, Kirk, and Matt Forti. "Assessment of Bank of America Charitable Foundation's Neighborhood Builders Program." The Bridgespan Group, 2011.

The David & Lucile Packard Foundation

The David & Lucile Packard Foundation. "Organizational Effectiveness Program Overview," <https://www.packard.org/grants-and-investments/for-our-current-grantees/organizational-effectiveness/>.

———. "Packard Foundation Organizational Effectiveness Program Strategic Review." <https://www.packard.org/wp-content/uploads/2013/08/OE-Strategic-Review-for-Web.pdf>.

———. "Review of 2013 Funding Data." <https://www.packard.org/2014/05/review-of-2013-funding-data/>.

———. "Review of 2014 Grantmaking." <https://www.packard.org/insights/resource/review-2014-grantmaking/>.

William and Flora Hewlett Foundation

Brest, Paul. "Smart Money: General Operating Grants can be Strategic—For Nonprofits and Foundations." *Stanford Social Innovation Review*, Winter 2003.

William and Flora Hewlett Foundation. "Hewlett Foundation 2013 Annual Report: Effective Philanthropy Group 2013 Report to the Board." <https://www.hewlett.org/wp-content/uploads/2016/09/2013AnnualReport.pdf>.

Others

Abt Associates. "Building Non-Profit Capacity: Findings from the Compassion Capital Fund Evaluation." 2010.

Bell, Jeanne, Richard Moyers, and Timothy Wolfred. *Daring to Lead 2006: A National Study of Nonprofit Executive Leadership Compass Point Nonprofit Services*. CompassPoint Nonprofit Services and The Meyer Foundation, 2006.

Brothers, John, and Anne Sherman. *Building Nonprofit Capacity: A Guide to Managing Change Through Organizational Lifecycles*. San Francisco, CA: Jossey-Bass Publishers, 2011.

Cohen, Rick. "A Call to Action: Organizing to Increase the Effectiveness and Impact of Foundation Grantmaking." National Committee for Responsive Philanthropy, 2007.

Connolly, Paul, and Carol Lukas. *Strengthening Nonprofit Performance: A Funder's Guide to Capacity Building*. St. Paul, MN: Wilder Publishing Center, 2002.

Crawford, Teresa. *Capacity Dividend*. Social Sector Accelerator, 2017.

De Vita, Carol J., and Cory Fleming, editors. *Building Capacity in Nonprofit Organizations*. The Urban Institute, 2001.

Guthrie, Kendall, and Alan Preston. "Building Capacity While Assessing It: Three Foundations' Experiences Using the McKinsey Capacity Assessment Grid." In *Funders Guide to Organizational Assessment: Tools, Processes, and Their Use in Building Capacity*, edited by Lori Bartczak, 29-53. Saint Paul, MN: Fieldstone Alliance, 2005.

Herman, Robert D., and David O. Renz. "Nonprofit Organizational Effectiveness: Practical Implications of Research on an Elusive Concept." Midwest Center for Nonprofit Leadership, 2002.

Hibbs, C.R. *Integrating Capacity and Strategy: A Handbook for Next-Generation Grantmakers and Grantees*. Stanford Center on Philanthropy and Civil Society, 2014.

Jagpal, Niki, and Kevin Laskowski. "The Philanthropic Landscape: The State of General Operating Support 2008-2010." The National Committee for Responsive Philanthropy, 2012.

———. "The Philanthropic Landscape: The State of General Operating Support 2011." The National Committee for Responsive Philanthropy, 2013.

Kelly Janus, Kathleen, and Valerie Threlfall. "Three Things Every Growing Nonprofit Needs to Scale." *Stanford Social Innovation Review*, November 16, 2016.

Kotloff, Lauren, and Nancy Burd. *Building Stronger Nonprofits through Better Financial Management: Early Efforts in 26 Youth-Serving Organizations*. Wallace Foundation and Public/Private Ventures. 2012.

Lecy, Jesse, Hans Peter Schmitz, and Haley Swedlund. "Non-Governmental and Not-for-Profit Organizational Effectiveness: A Modern Synthesis." *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations* 23 (2011): 434-457.

Light, Paul C. *Sustaining Nonprofit Performance: The Case for Capacity Building and the Evidence to Support It*. Washington, D.C.: Brookings Institution Press, 2004.

Marguerite Casey Foundation. *2012 Impact Assessment Report*. 2013.

Minnesota Council of Foundations. "General Operating Support: Flexibility, Accountability and the Grantmaker/Nonprofit Relationship." *Giving Forum* 31 (2008): 1-7.

Millesen, Judith, Joanne Carman, and Angela Bies. "Why Engage? Understanding the Incentive to Build Nonprofit Capacity," *Nonprofit Management & Leadership* 21 (2010): p. 5-20.

Pratt, Jon. "The Dynamics of Funding: Considering Reliability and Autonomy." *Nonprofit Quarterly* (2002).

Walker, Karen, Jean Grossman, Kristine Andrews, Nicholas Carrington, and Angela Rojas. *The Skills to Pay the Bills: An Evaluation of an Effort to Help Nonprofits Manage Their Finances*. MDRC, 2015.

Weingart Foundation. "Unrestricted Core Support: Strengthening the Capacity of our Nonprofit Sector." 2012.

Wong, San San, Laura Sherman, Susan Nelson, and Ashley Berendt. "Capitalization and Risk." *Grantmakers in the Arts Reader* 26 (2015).

THE BRIDGESPAN GROUP

BOSTON 2 Copley Place, 7th Floor, Suite 3700B, Boston, MA 02116, USA. Tel: 617.572.2833

MUMBAI Bridgespan India Private Limited (registered address) 1086 Regus, Level 1, Trade Centre, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra, 400051, India. Tel: +91.22.6628.9624

NEW YORK 112 West 34th St., Ste. 1510, New York, NY 10120, USA. Tel: 646.562.8900

SAN FRANCISCO 465 California St., 11th Floor, San Francisco, CA 94104, USA. Tel: 415.627.1100



www.bridgespan.org

contact@bridgespan.org

contactindia@bridgespan.org