[2004-2012]

fact

french american charitable trust



strengthening organizations

STRENGTHENING ORGANIZATIONS

A Capacity Building Program Report from the French American Charitable Trust (FACT)

[2004–2012]

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We believe...

Capacity building should be **voluntary.**

Confidentiality is key.

Success requires **Customization** and **Flexibility.**

introduction | investing in building strong organizations

FACT is a family foundation that is spending down its endowment to make a targeted investment in social change over twenty years. FACT provides **long-term general operating support** to multi-issue community-based organizations that educate community members to organize and advocate collectively on their own behalf on issues and policies that impact their lives. We currently support 38 U.S. grantees with general operating funds that range from $30,000 to $100,000 with a typical grant size of $50,000.

In 2004, after nine years of making general operating support grants, FACT recognized that grantees might increase their external success by strengthening their internal operations. While experience told us that organizational development was greatly needed, community-based nonprofits often did not have the resources or expertise to focus on internal operations. FACT decided to ensure that its grantees had the tools they needed for success. Beginning that year, in addition to our general operating support grants, we created a comprehensive capacity building program with a menu of different types of support. Our decision to invest in capacity building meant supporting fewer organizations overall, but it also meant more in-depth work with a few of our grantees. We believe this was a worthwhile trade-off. Starting in 2004, FACT invested the equivalent of 20% of its grant making budget into a variety of capacity building endeavors.

While we believe capacity building can strengthen groups and enable them to achieve their missions and goals more effectively, we know that focusing on internal culture, structures, and processes takes time away from vital programmatic work. Therefore, we believe it is essential that grantees determine when to embark on such an endeavor. Utilizing any part of our capacity building program is voluntary and initiated by the organization. Our aim is to have a comprehensive program available to our grantees when they need it. The several different kinds of support include: working with a nonprofit technical assistance provider, accessing a discretionary grant, utilizing the expertise of a consultant through our Management Assistance Program, and developing the organization with a multi-year organizational development grant.

We created this report to provide funders with information and lessons learned from FACT's capacity building program. We offer our experiences and those of our grantees in the hope that others will want to support the internal capacity of community organizations that are working so hard to create social change.

Absolutely a great model! The groups need the long-term infusion of funding that FACT provides.... coupling this with capacity building help will usually guarantee that the group will be able to address the inevitable challenges it will encounter as it grows in size, power and responsibility.

Margi Clarke, MAP consultant

designing the program

1. our goals and assumptions

We started with the following **long-term goals**:

- Build strong, healthy, effective organizations capable of winning victories
- Improve grantees' ability to gain new supporters and bigger grants
- Provide the support grantees need to be lasting organizations
- Establish, sustain, and document an effective model for providing capacity building that is respectful of grantees
- Evaluate and modify the program every year

Assuming that a strong organization would be most effective at achieving its goals, we identified what we believed were the characteristics of a group with capacity:

- Clear vision, mission, goals, and strategies
- Proactive
- Effective strategic planning and evaluation processes
- Well understood decision-making processes, personnel policies, and staff management practices that are consistent with the organization's mission and values
- Clearly articulated, realistic work plans with measurable objectives that are integrated into the organization's strategic plan and goals
- Compelling storytelling and messaging
- Financially stable with a diverse funding base, long-term funding strategy
- Leadership development for staff, leaders, and members, including support for skill development by supervisors and managers
- Well-defined job descriptions
- Effective Board of Directors that understands its role and purpose
- Connected to a base of constituents
- Working in coalitions and across sectors
- Technologically competent

2. research and findings

FACT surveyed organizations we supported through the years and learned that many of them needed help with:

- Coaching or mentoring for new Executive Directors and secondary leaders
- Basic management skills
- Effective governance processes
- Diversifying the funding base
- Understanding the lines between 501c3 nonprofit organizations and 501c4 advocacy groups
- Adopting effective evaluation and planning techniques

Other needs our grantees identified included:

- Strategic communications
- Research
- Technology
- Legal knowledge

We learned that community organizing groups needed and wanted help with organizational development, but that they worried about finding support that felt right for their group. In general, groups were concerned that a capacity building endeavor would feel too generic, too corporate, or too "cookie-cutter."



The capacity building work that [FACT] allows community groups to pursue is really very critical to organizing. Creating strong, well-managed organizations means that, collectively, we're better positioned to win the kind of social change we're working for. We're deeply grateful to FACT for recognizing the importance of this capacity building work, and for supporting it through the MAP project.

Nikki Fortunato Bas, Executive Director East Bay Alliance for a Sustainable Economy (EBASE)

We then surveyed how other funders addressed organizational development, and we looked at different models for providing capacity building. We found a spectrum of investments that ranged from support for one-time trainings through local management service organizations or local universities, to funder convenings on particular topics, to intensive consulting support provided by foundation staff or independent contractors.

We learned that:

- One-time trainings were of limited value if they lacked timely implementation and technical support.
- Convenings could be useful to foster relationships among nonprofit organizations, but they could also feel directive. Grantees might attend for the wrong reasons and the subject matter might not target the most pressing needs of a particular group.
- Organizational development assistance provided by foundation staff could create an uncomfortable dynamic between grantee and funder. Grantees did not feel safe confronting their issues in a completely honest way with foundation staff for fear of jeopardizing other funding opportunities. We found this could be true even when there was a previously established relationship.
- Consultants funded by a foundation might not be trusted because nonprofits had concerns about the consultant's allegiance to the funder and the possibility s/he would report sensitive information.
- Consultants' ability to understand the culture of an organization was often questioned by grantees.
- The true cost and time commitment of leaving skills behind were much greater than initially anticipated.

We chose not to make convenings a large part of our program at the outset, for three main reasons:

- Our grantees were based across the country and the cost of convening them was high.
- We wanted to provide more than a one-time training.
- We were concerned that groups would attend a convening because their funder was hosting it, not because it was their own priority.

However, we were not dogmatic in our approach. Flexibility and responsiveness were among our keys to success.



fact's capacity building program

We created a comprehensive array of capacity building options accessible to any group receiving support from FACT. We allowed our grantees to tap multiple streams of assistance simultaneously because we knew that when the time was right, they might need several different types of interventions.

the four elements of fact's capacity building program

1. **Nonprofit Technical Assistance Providers**
General operating support grants of $30,000 - $50,000 to a set of national and regional TA providers that worked with FACT grantees.

2. **Discretionary Grants**
Quick turnaround small grants up to a maximum of $5,000.

3. **Management Assistance Program (MAP)**
A vetted pool of consultants to provide organizational development expertise for up to 380 hours over 18 months.

4. **Multi-year Organizational Development Grants**
Grants of $90,000 over three years to support organizational development needs of select grantees.

1. general operating support for nonprofit technical assistance (TA) providers

Many of FACT's community-based grantees found that they had needs they could not meet internally, such as research, training, media, and technology. FACT provided general operating support grants of $30,000 to $50,000 to a set of national and regional TA providers that worked with FACT grantees. We initially started funding only national providers and added regional ones later on. Ultimately, we were happier with the results of the regional providers because we found them to be more closely embedded in the work of local community organizing groups.

Over time we funded fewer and fewer groups in this part of our docket. We found that the national TA providers were very good at meeting the basic needs of our grantees, but few were able to provide higher-level and more tailored support as our grantees developed more complex needs.

2. discretionary grants



Our discretionary grants pool provided quick turnaround grants for a maximum of $5,000 per request. In 2003, as we planned our new approach to strengthening organizations, we looked at previous years to determine whether and how substantially our groups had tapped into FACT's discretionary grants pool for capacity building needs. We found that without explicitly encouraging discretionary requests for organizational development needs we had disbursed $25,000 for capacity building support.

Starting in 2004, we decided to actively encourage groups to apply for this type of support and we earmarked $50,000 of our discretionary grants funds to meet capacity building needs. It felt like a stretch to set a goal of doubling this type of support, but it proved worthwhile. Between 2004 and 2009 we disbursed a total of $50,000 to $70,000 per year in small grants averaging between $3,500 and $4,700 to meet capacity building needs. Typically we were able to make decisions on these requests within three weeks and provide funds quickly to help our grantees with immediate or small scale needs. We were told that FACT's initial small grants often helped groups raise the balance of the money they needed from other funders.

Some of our discretionary grants complemented the support we were providing through other elements of our capacity building program. We also made discretionary grants that met organizational development needs that stood on their own. Groups used these funds to meet a variety of needs including purchasing new software and hardware, creating technology plans, working with fundraising consultants, hiring facilitators, and travel assistance for peer-to-peer exchanges with other organizations. While relatively small in size, our discretionary funding for capacity building has proven to be effective relative to its size. A few examples are noted below:

Leadership retreat

A cohort of Bay Area Executive Directors had been convening for peer exchange with FACT support. The group made a discretionary grant request for a leadership retreat, which FACT funded. As a result, in April 2006, seven Bay Area Executive Directors of color came together over 3 days to discuss the state of the social justice movement in the Bay Area and nationwide, the role of their organizations within this movement, strategies to better support one another, and ways to provide each other with peer support. One outcome of these meetings was the formation of an Oakland-based coalition called Oakland Rising, which ultimately became a staffed entity and a FACT grantee. Oakland Rising was formed to build power by aligning the program activities of its member organizations and coordinate their voter work.

New computers

Communities for Better Environment (CBE) brings together policy and legal work with grassroots organizing in California to build community health in low-income communities of color. At one point staff worked on their personal computers because some office computers were too outdated to operate current software programs. FACT was able to provide quick and easy support to purchase up-to-date computers with sufficient memory and speed to optimize the organization's operations.

Strategic planning

Ventura/Oxnard-based, Central Coast Alliance United for a Sustainable Economy (CAUSE) promotes public policies that advance economic and social justice on California's Central Coast through advocacy, research, organizing, leadership development, and community building. CAUSE wanted to engage in strategic planning using a consultant who was not a part of the Management Assistance Program. FACT agreed to give the group a small grant toward its larger strategic planning budget. With the support of the consultant, CAUSE created an effective road map that it followed to grow not only their own organization but also the entire infrastructure of progressive groups in the region.



3. management assistance program (map)

FACT's Management Assistance Program provides up to 380 hours of consulting time over a period of up to 18 months to current FACT grantees. MAP is the most complex part of our Capacity Building Program requiring significant management and oversight by FACT staff and a lead consultant. A MAP request is initiated by any current FACT grantee with a simple one to two page request. See application in Appendix 2.

FACT's 2009 budget for the Management Assistance Program included:

Consulting hours and travel and expense	$260,000
Oversight by the lead consultant	$57,000
Convening consultants	$35,000
Total	**$352,000**

FACT staff time is not included in the MAP budget figures presented above. FACT staff time was used for budgeting, accounting, paying invoices, approving projects, outreach to grantees, updating the website, bimonthly meetings with the lead consultant, annual meeting with the entire team, performing an annual evaluation and strategic planning, general oversight of the program and sharing lessons with colleagues in philanthropy. The lead consultant provided ten hours of oversight per month.



I can see the progress that the groups I have worked with have made with the MAP assistance. They are better able to tackle and solve difficult internal issues, which then enables them to become stronger, more sustainable and have greater impact.

Mary Ochs,
MAP consultant

MAP will continue through the end of 2012. In this report, we share information about the program from its start in mid-year 2004 through the end of 2009, which is the last year for which we have full data at the time of this writing.

From mid-year 2004 to 2009, twenty-two FACT grantees, or 58% of FACT's thirty-eight grantees, benefited from MAP support. Fifty-four MAP projects were undertaken during that time. Though not all FACT grantees participated in MAP, the FACT grantees who did were more likely to return with second and third requests for support.

We noticed that there was a natural ramp-up period from the time FACT grantees were first notified about the existence of MAP to when many began utilizing it.

The first grantee that tapped MAP after it launched was somewhat skeptical that an outside consultant could really help. Yet after a successful experience, the grantee was convinced of the power of MAP to help the organization operate better and encouraged other grantees to seek this kind of assistance.

I can't emphasize enough how essential the MAP program and others like it is for APEN. These capacity building programs have really helped us build our organization, the effectiveness of our staff, and our ability to respond to the normal crises that arise in our work. The balance of flexibility to meet short term demands and longer term projects with our consultants has been especially important to our ability to best utilize the program to meet our needs. Thank you!!

Roger Kim,
Executive Director of Asian Pacific Environmental Network (APEN)

guiding principles of fact's management assistance program

FACT will:

- Engender trust between the foundation and its grantees, contractors, and consultants working with grantees
- Make clear that other support is not contingent upon participation in the Capacity Building Program
- Manage the program in the most efficient and responsive manner possible
- Clarify expectations among all parties regarding both process and outcomes
- Ensure clear communication and appropriate coordination between FACT, grantees, and TA Providers or consultants
- Provide consultants and technical assistance appropriate to the culture (including language) of the organization
- Evaluate and modify the program based on feedback from grantees, consultants, TA Providers, FACT staff, and other stakeholders

Consultants & Providers will:

- Disseminate skills throughout the organization to the greatest extent possible
- Work with grantees over the long term; one-time trainings are not sufficient for skills and knowledge to be left behind
- Provide coaching, technical assistance, and training that empowers staff and/or members to find solutions that are the best fit for their organization
- Avoid one-size-fits-all solutions, and tailor tools and processes to the specific needs and culture of the organization
- Be aware of the human pace of change, and allow time for the process to happen
- Be careful not to overwhelm grantees with too many consultants or activities at once
- Maximize coordination of services with the group's other capacity building endeavors

Confidentiality is key:

A cornerstone of the MAP program is confidentiality. We knew it would be best for foundation staff not to provide any of the services, no matter how skilled they might be in matters of organizational development. We also decided to create a clear confidentiality policy (See Appendix 1) that spelled out the only instances when specific information would be shared with the foundation (such as criminal wrongdoing, or if the consultant believed that the integrity and reputation of FACT and its grant making program were at risk).

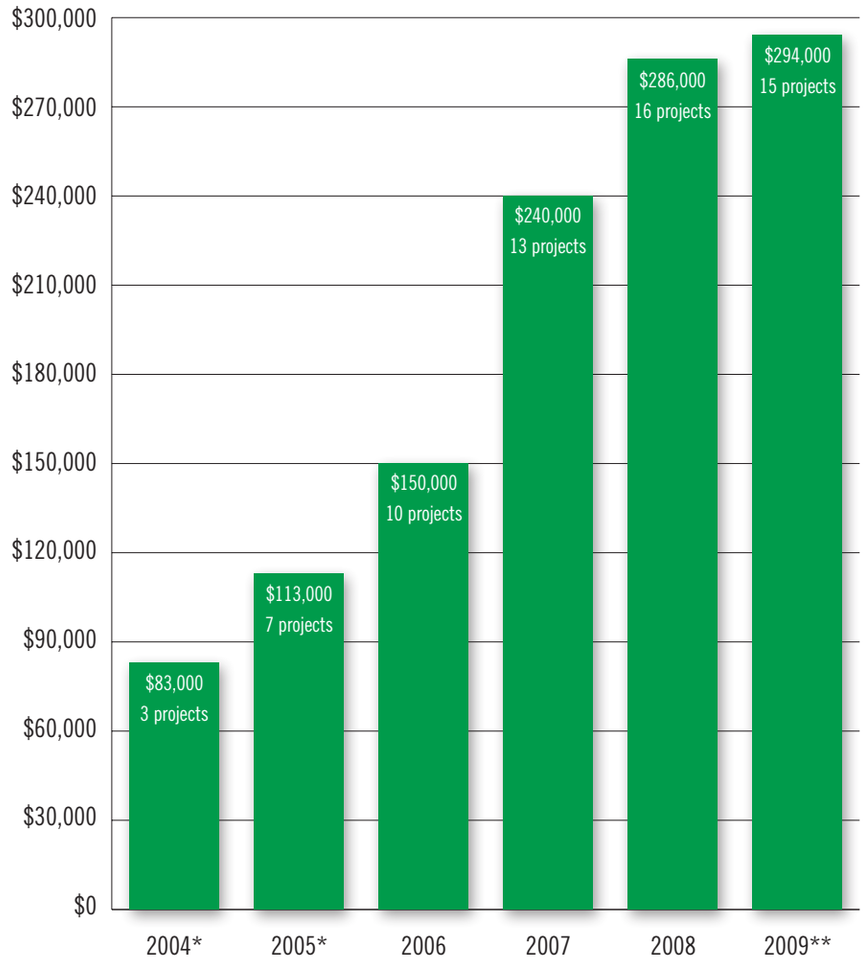
We hired a lead consultant to oversee our team of consultants. The lead consultant serves as a bridge between FACT program staff and the consultants who dig more deeply into the organizational issues. The lead consultant informs FACT staff regarding the broad strokes of a MAP endeavor including goals, work plan, general progress, and any changes to the work plan. Specific details of the work are not shared with FACT. For example, FACT might know that a group is working on succession planning, that a workgroup comprised of staff, board, and members convened, or that the Executive Director is receiving coaching. FACT staff would not be told details such as what the founder needed in order to make the most effective transition, nor what it would take to address the staff and board's fears about transition.



Absolutely unique and comprehensive– MAP is client-centered and easy to use, offers high-quality screened consultants, teamwork and skills sharing sessions. Plus there is quality-assurance and support through the lead consultant. An added benefit is the flexibility of FACT discretionary funds for the client to draw on for related tasks/costs that cannot be covered by the MAP scope. Excellent comprehensive combo!!

Elsa Rios,
MAP Consultant

map: projects served and actual project budget by year



* 2004 was the first year of MAP and program outreach started mid-year

** The program will continue to provide support to FACT grantees through year-end 2012

the magic of the map model

Consultant selection, matching and peer exchange

We attributed the positive response to MAP to our careful selection of experienced consultants who understand community based organizations as well as to our team building approach. From the start of the consultant recruitment process our lead consultant assessed a candidate's experience and skill in working with community organizing groups and provided information about FACT's philosophy and approach. We shared documents such as the MAP guiding principles and our confidentiality policy. From the very first contact with FACT, consultants began to understand what we represented and our goals and beliefs.

When FACT started MAP, we expected to find consultants in each state or region where our grantees are located. But, we found this was too limiting when trying to find the correct match of skills, chemistry, and availability between our groups and consultants. Instead, we increased the travel and expense budget to ensure that we could make the best match even if it meant cross-country travel by the consultant.

The lead consultant was very skilled at matching consultants with grantee needs. She provided two possible matches for the grantee. In the rare case that a group was not satisfied with either possibility, a third match was attempted. Once the grantee was matched with a consultant, the lead consultant ensured that work advanced at an appropriate pace and that both parties were satisfied.

We are realizing more and more how valuable it is to have a team of consultants that really knows each other. Outside of simply working on projects together, the MAP convenings help us know each other's strengths and makes it much more likely each of us can call on folks for advice and helps the communication be much smoother when we are teaming. This is one of those intangible benefits that this particular model has going for it because it makes for an easier and higher quality experience for the grantees.

Carol Cantwell,
MAP Consultant

Every year, FACT brought the entire team of consultants together for an annual two-day meeting. These meetings helped foster a close working relationship among consultants. At these meetings, consultants shared common problems, tools, and best practices with one another and addressed some of the issues that can arise from working in the field without peer support and feedback from clients. The annual meeting also provided a baseline for working together in the instances where a MAP project required consultants with different skills. The annual convening also ensured that consultants from across the country met with FACT program staff at least once each year and had a formal opportunity to learn directly from FACT about any modifications to the program. After the first few years, we created a separate budget to convene the consultants as it was key to the success of the program and helped build the field of consultants.

Changes we made to MAP over time:

- Lengthened maximum duration of a MAP engagement from 12 months to 18 months
- Increased total consulting hours per project to 380 over the period of the contract
- Increased the consulting hours budget to $42,000 for the duration of a project
- Increased travel time and expenses budget to $15,000 per project or $23,000 for national or multi-site organizations
- Expanded the size of the consultant pool to eleven to ensure it was large enough to meet grantee needs while retaining the close rapport of the MAP consultant team
- Added more specialized skills including fundraising and coaching at the request of our grantees
- Allowed a choice between two possible consultant matches (if necessary provided a third) to ensure the best possible fit
- In 2009, we developed an outcome survey for MAP participants to complete at the beginning of the contract period. This document will be used to gauge progress on goals at the outset of the project, at the end of the project, and one year later. We should have started this process earlier in order to have outcomes data to evaluate the work of MAP.

Core Strengths of the FACT Model

- Consultants understood FACT's values and philosophy. They were able to act as ambassadors of FACT.
- Consultants worked well with community-based grassroots groups.
- Strict confidentiality policy enabled grantees to feel free to confront real issues.
- The lead consultant played a key coordinating as well as motivating role for the MAP consultant team. Finding the right, highly skilled person for this role has been a cornerstone of the success of MAP.

Weaknesses of the FACT Model

1. Limitation of a defined pool of consultants: if a group wanted to work with someone outside the MAP-defined pool of consultants, FACT was unable to help beyond providing discretionary funds of up to $5,000 towards their budget for consultant time.
2. If FACT had started with unlimited resources, we would have:
    1. Started most projects with an organizational needs assessment
    2. Asked some grantees to repeat the needs assessment at specified times after the intervention ended to collect data to evaluate the impact and sustainability of change over time
    3. Budgeted for data gathering to show impact over time
    4. Budgeted for video documentation or other compelling ways of highlighting the impact of investing in capacity building
    5. Considered increasing the size of the consultant pool, while maintaining the close relationships and rapport. We would have sought out specialists in:
        - communications
        - human resources with strength in supervisor training
        - succession planning
        - technology
        - c3-c4 organizational structure and financial practices (rather than legal support)
    6. Budgeted more for consultant peer learning and exchange
    7. Allocated funds for tools development and dissemination of knowledge and best practices in the field
    8. Built in skills transference within the consultant pool through "train the trainer" programs
    9. Created a referral database of consultants for our grantees.

Where we went wrong

In the early years of MAP we made a few bad matches. From this experience, we learned to take better stock of the chemistry between the group and the consultant and offer a choice between two candidates to each grantee.

We discovered two instances early in the life of the program where MAP was not meeting our own standards of quality. In both cases the Executive Director (ED) was not adequately engaged throughout the process. For example, when a project stalled we discovered that expectations regarding which person would lead and maintain the momentum were not sufficiently clarified between the grantee and consultant at the outset of the project.

The ED does not have to be the point person interacting with the consultant or take the lead within the organization for the MAP program. However, the ED must be actively involved along the way—progress and direction must meet the Executive Director's approval to be successful.

ten lessons learned

Offering Organizational Development Support Through a Consultant Pool

1. **Grantee Should Initiate**
   Publicize the availability of organizational development resources, but recognize that doing internal work requires readiness and buy-in on the part of all stakeholders in the organization. Time and energy focused on organizational development will inevitably detract from programmatic attention. For a successful engagement, the time for an organization to turn its energies inward should be dictated by the grantee based on its own lifecycle and readiness. Staff and other stakeholders must be able to factor time for organizational development work into their work plans and priorities.

2. **Offer a Simple Application and Approval Process**
   Make it easy for grantees to seek assistance and be sure that the entire process is transparent at the outset. Before a group decides to apply for resources or consulting it should be given full information regarding how the process works and the parameters of the program.

3. **Confidentiality is Key**
   Ensure that the grantee is able to openly confront its difficult issues. Be clear at the outset that the work of the grantee and consultant is confidential. The program officer can be advised of the general scope of work that is being undertaken, the state of progress and overall outcomes. We utilize a lead consultant who manages the details of the program, and reports on the broad outlines of the work plan and progress.

4. **Choice is Important**
   Allow grantees a choice in selecting the consultant; involvement in the selection process empowers the grantee. Interviewing providers may offer the grantee different perspectives on the problem(s) it is confronting and possible solutions. For some, who don't have prior experience with outside providers, the process enables them to gain an understanding of what to look for and how to make an informed choice. At FACT, grantees choose from two consultants that the lead consultant thinks are a match and which are selected from an already vetted team that we believe are a fit for our program and grantees.

5. **Flexibility is Essential**
   Successful capacity building must be flexible to take into account ever-changing external and internal circumstances. Be open to necessary changes in pace, emphasis or scope that will ensure success given emerging external or internal conditions.

6. **Engage the Executive Director Throughout**
   Involve the Executive Director (ED) in a formal way throughout the process. Depending on the nature and scope of work to be undertaken, it may be appropriate for the ED to delegate responsibility for aspects of the organizational development work. However, it is imperative for a successful outcome that the ED is regularly updated and approves all decisions and new directions.

7. **Employ a Whole Systems Approach**
   Recognize that all aspects of an organization are part of one system. Changes in one area of an organization will have ripple effects in other departments. For instance, programmatic changes may need to be supported with new or different types of administrative support. To effectively implement change, the implications and consequences for the whole organization must be considered and understood.

8. **Link Consultant Work with Other Resources**
   Undertaking organizational development work may require a variety of skill sets. Consider whether a team with different kinds of expertise might best serve the range of organizational needs. For instance, changes to programmatic work and decision making structures developed with an OD specialist may require new fundraising plans. Consider making small discretionary grants in combination with the organizational development assistance to support the overarching goals.

9. **Build a Learning Team of Consultant Ambassadors**
   Engage consultants whose background and areas of expertise aligns with the needs and values of your foundation and your grantees. We conduct a rigorous vetting process to recruit a talented and diverse group of consultants with experience in grassroots community organizing. Since FACT pays the consultants directly to work with its grantees, we orient them to ensure that they can serve as ambassadors of FACT. Regular oversight is provided by the lead counsultant. In addition, regular peer learning exchange is built into the MAP process so that the consultants draw on one another's expertise and jointly develop tools to strenghten the field of capacity building for grassroots groups.

10. **Evaluate at Two Levels**
    Communicate at the outset what the grantee and the consultant will be expected to report and the basis upon which the endeavor will be evaluated. We try to keep the evaluation and reporting process easy. The most useful evaluations are rooted in the grantee's own goals. Throughout the process, check in with both the grantee and consultant. Our lead consultant ensures the engagement is moving at an appropriate pace, is serving the need(s) and is a positive experience. Be sure to also perform a comprehensive evaluation of your own program annually and make adjustments.

4. three-year organizational development (OD) grants

This program provided FACT grantees with $90,000 over three years to use in any way they saw fit to achieve their organizational development goals. This award was on top of the groups' general support grant. For instance, groups could hire their own consultant or a variety of consultants, send staff to trainings, bring in other organizations for training, and/or do learning exchanges.

Starting in 2004, every three years, FACT selected two groups to apply for these grants. We selected recipients based on our assessment of their ability to:

- Be ready to take the organization to the next level of capacity and become more effective overall
- Be strategic about their growth priorities
- Ensure that their programs, strategies, and vision were aligned and integrated throughout the organization

Pre-selected groups were invited to complete an application. Once accepted into the program the grantees created and implemented a three-year work plan. Executive Directors communicated regularly with FACT staff and reported at least annually to FACT on their progress toward achieving their goals. Our involvement with the groups in this program was more arm's length. We were happy to help and support as needed. At times, the FACT OD grants helped leverage additional funds to pay for the groups' organizational development work particularly if it was a large project.

A total of four FACT grantees benefited from the OD grants:

- Fall 2004-Fall 2006. SouthWest Organizing Project & the East Bay Alliance for Sustainable Development: $90,000 each over three years
- Fall 2007-Fall 2010. Communities for a Better Environment and 9 to 5: $90,000 each over three years

Challenges

Some of the challenges experienced by the first groups to use the OD grants included:

- Identifying a consultant who was a good match for the group
- Dedicating sufficient time to internal issues in addition to the programmatic work
- Starting the project

Initially, our grant did not include guidance on how to proceed with assessing organizational needs or developing a three-year work plan. Based on feedback from the first two groups that completed the program, we offered up to 8 hours of consulting time with a MAP team member to help each group assess its needs and create a work plan.

Work with the consultant on the front-end to decide who/how to lead and set the pace for the project. Will the organization lead and set the pace or will the consultant? What are the expectations of each? We didn't do this early on and experienced a short time period in which we didn't accomplish as much as we might have because we weren't clear about who should be setting the pace. Once we had an open conversation about this, we got right on track and really excelled.

Heather Mahoney, Kentuckians for the Commonwealth

case studies:

fact's management assistance program (map): miami workers center

Duration of Consultancy

12 months

Work Accomplished

- Consolidated and implemented new financial and administrative systems
- Strengthened organizational management
- Developed a human resources and administrative plan for organization
- Initiated a two-year strategic plan and established the basis for a more comprehensive plan

Budget

Consulting time . . . . .$ 30,175
Travel & expenses . . . .$ 14,632

I do not possess the words to tell FACT how profoundly important this process is to our work, to our development, to our organizational sustainability, to our unleashing of potential, and to our personal well-being. It means everything to us at this point, and the entire organization here wants to thank you for having the insight, the forethought, and commitment to make this possible.

Gihan Perera, Executive Director, Miami Workers Center, December 2004

The Need

Created in 1999, the Miami Workers Center (MWC) is building the political leverage of Miami's disenfranchised residents. MWC initiates and supports the development of low-income, people of color organizations in communities across the city. Under the umbrella of MWC, these organizations develop a common set of values, political education and analysis, and a shared strategy for change. In this way, MWC is uniting residents to speak in a powerful voice to the public and to policy-makers.

When MWC requested help through the FACT Management Assistance Program (MAP), the five year-old organization was coming to the end of its start-up phase. MWC had grown from a volunteer-run organization based out of its founders' home to a staff of four occupying a storefront office in the heart of the African-American neighborhood, Liberty City and was confronting the limits of its internal planning capacity. The organization and its members had achieved some victories but, despite an ambitious vision, the organization hadn't grown beyond an active base of support in the Liberty City neighborhood.

Its staffing level hadn't grown, despite having money in the budget to add new positions. High turnover and the difficulty of recruiting organizers with experience in Miami and the South were significant challenges.

MWC was at a crossroads. It asked for help to assess its strengths, its opportunities for growth, and expert advice on how best to grow and sustain an interconnected group of community-based, member-driven organizations.

Consultants Utilized

Carol Cantwell is an expert in designing financial systems and teaching financial literacy to staff and board members. Carol approaches budget and finances in a holistic manner, endeavoring to create a culture of transparency that ensures a clear understanding of the relationship between finances, budget, program and administration.

Emily Goldfarb is an organizational development generalist with years of experience serving as an Executive Director of a nonprofit organization, consulting with philanthropic organizations and advising community-based organizations. She is knowledgeable regarding a variety of organizational models, common problems, and a spectrum of possible solutions.

Developing the Work Plan

The consultants led the MWC staff through a comprehensive assessment process, which confirmed the needs MWC identified and revealed additional issues. These included:

- A high level of consensus related to the organization's mission. A lower level of clarity with regard to the implementation of short-term strategies undertaken to achieve the mission.
- A knowledgeable staff with a deep level of commitment, all of whom were seriously over-worked.



- A lack of clear and consistent expectations for staff participation in the organization.
- An ongoing frustration with the difficulty of recruiting, retaining, developing and managing new staff.
- A highly-developed theoretical underpinning to guide the work, but less attention to and knowledge about operational practices and structures.
- A shared commitment to a set of social and political values, but no explicitly-stated values to govern day-to-day operations or staff development.
- A fast-paced work environment that demanded constant reprioritization but lacked criteria and process for determining priorities.

Challenges

MWC tapped FACT's Management Assistance Program because it was confronting significant organizational challenges that it did not have the expertise to answer. Nonetheless, the organization was skeptical that outside consultants could understand its internal dynamics and culture.

Adding to that challenge, the consultants were based in San Francisco. Distance and budget constraints meant that much of the work happened from afar. More time in-person with the consultants would have facilitated the process.

Also, it was hard to balance the staff time and attention that is required for longer-term planning with the demands on staff time created by members who knock on the organization's door every day and with the daily exigencies of current campaigns.

Outcomes

As a result of its engagement with MAP, MWC understands the value of utilizing external organizational development consultants who see similar problems in many nonprofit organizations and are versed in a range of potential solutions. MWC now realizes that it is not as unique (either in culture, problems confronted, or practice) as it believed at the outset of this project. The organization shifted from uncertainty that external consultants would be capable of understanding and working effectively with member-directed, grassroots groups, to being an evangelist for FACT's MAP program.

Outcome Highlights

- Developed and implemented a staff transition plan that enabled the organization to grow from four to nine full time employees and from one neighborhood-based organization to two.
- Created a new administrative position with a well-defined job description to ensure the smooth operation of administration, finances and human resources. Recruited and hired a qualified candidate for the job.
- Modified the financial chart of accounts, transitioned to an accrual system of accounting, created budgetary templates and developed a financial system, with reporting features that reflect and serve the organization's programs.
- Revised the organization's mission, developed a statement of the organization's values and principles of operation, established organization-wide understanding of the strategies by which MWC and its members will build power and create change.
- Developed a short-term strategic plan with concrete goals, objectives, strategies and timelines for a two-year period (2006-2007) that identified key strategic questions with which the organization will grapple as it develops its five-year plan.

Next Steps

MWC is excited to embark on the second phase of its organizational development process. Its next steps will include:

- Evaluating the impact of each of its programs.
- Strategic planning for 2008-2010.
- Continuing to improve its administrative infrastructure (including revising its personnel policies, developing an operations manual, revising recruitment, orientation, training and retention strategies, and mentoring for the new administrative staff person.)
- Examining the relationships and governance between MWC and its grassroots neighborhood-based organizations.
- Continuing Board development including role clarification, recruitment, orientation and training.

Engagement with the FACT MAP program underscored the imperative of integrating organizational development processes and planning as a continuing part of MWC's overall work. Many questions raised during the MAP process were not answered, either because MWC didn't have the capacity to address them in the moment, or because they were outside of the scope of the approved MAP work plan. Ultimately, MWC found it valuable to have identified the questions that could not be addressed within the time and budgetary constraints of both the MAP program and the pressing demands of its programmatic work. MWC is committed to creating organizational space to address these issues in the future and understands organizational development to be an ongoing process.

fact's three-year organizational development grants: east bay alliance for a sustainable economy (ebase):

EBASE brings together community, labor and faith-based groups to work for economic and social justice for low-wage workers in the San Francisco area's East Bay region.

- Enhanced communications capacity: The group developed a colorful new website and implemented an e-activist alert system that proved effective at mobilizing hundreds of people on short notice and served as a grassroots fund-raising mechanism.
- Developed financial health and security: EBASE increased its institutional and individual support base. When entering the program in 2004, the group hoped to have at least 20% of its income from non-foundation sources. In 2007, it received 22% of its income from non-foundation sources compared with only 3% before the program. Moreover, as of February 2007, it had secured funding commitments sufficient to cover its 2007 operational budget. This security enabled EBASE to experiment with new fundraising methods and spend time reaching out to new sources. The group's overall budget increased from about $560,000 to $1 million during the grant period.
- Restructured the organization: EBASE shifted from a co-directorship to an Executive Director and Senior Management team delegating appropriate authority from the Board to the ED, formalizing human resources practices, and preparing for staff transitions. These changes streamlined operations and created unity of vision and purpose making EBASE a more effective organization and ensuring long-term sustainability.
- Clarified and narrowed its focus: Through executive coaching, strategic planning, and work with the Board, EBASE clarified its niche as a labor-based community organization with accountability to low-wage workers. The group prioritized its potential areas of work and now intends to focus its energy on fewer projects. The group became more strategic about how, as a regional organization, it can impact federal immigration policy reform.



Other projects that FACT has undertaken as part of our commitment to capacity building include:

Special Financial Assistance Program (SFAP)

In September 2008, it became apparent that the U.S. was facing a financial crisis of extreme proportions and foundations were slashing their grant making budgets. FACT took several actions to help its grantees in tight times. With a $28,000 budget, we created the **Special Financial Assistance Project (SFAP) and invited our grantees to take part in one of two 90-minute webinar** training sessions on surviving tough financial times. Grantees who participated in the webinar were eligible to receive eight hours of customized phone consultation on financial management, planning, and fundraising during the following 12 months. Grantees used this support to get advice on maximizing event income, setting up monthly sustainer programs, reviewing budgets and projections, and establishing reserve funds.

When word spread about this program and its success, other funders including General Services Foundation and The Unitarian Universalist Veatch Program at Shelter Rock offered similar webinar trainings and customized consultation follow-up.

Other more ad hoc capacity building support that FACT has undertaken over the years includes:

Women of Color Executive Director Network of the Bay Area

In 2004, when a cohort of notable young women of color in the Bay Area ascended from within the ranks of their organizations to become Executive Directors, FACT realized that they needed support to be successful in their new roles. We convened them over several two-hour lunches for peer support and dialog. At their request, we occasionally helped to bring in a resource person with particular expertise. In 2008, the leadership group came together for a two-day retreat and changed its name to the Leaders of Color Peer Network to reflect the inclusion of a few male Executive Directors. In 2010, the group is convening again to dialogue about leadership and gender, as well as to provide peer support and share tools to sustain themselves in their work. They will also explore opportunities for more organizational collaboration.

Over six years, FACT has invested less than $20,000 for lunches and retreat support for this group. For the minimal cost, this has been a high impact investment.

This project was undertaken to help replace FACT's funding and strengthen fundraising practices:

Fundraising Assistance Project (FAP)

In 2010, as FACT prepares to exit the field, we have launched a two-year Fundraising Assistance Project (FAP). FAP's primary role is to help FACT grantees increase, diversify and strengthen their revenue base, and replace the long-term general support grants that FACT has provided. It is a two part program that includes cash grants and webinar style training with follow-up consultation.

In 2010, through a competitive proposal process, the foundation will make cash grants of $40,000 each to ten grantees that demonstrate well-developed and sophisticated fundraising projects ready for implementation. FACT grantees not selected for the cash grant will be eligible to participate in a fundraising webinar plus eight hours of follow-up customized phone consultation. In 2011, through a second proposal process, the foundation will offer 25 of its grantees a cash grant of $35,000 to implement their fundraising plans. Groups that received grants in 2010 will be eligible to receive a second year of funding.

Fundraising is defined broadly to include a variety of activities such as implementing major donor or grassroots development plans, social networking strategies designed to increase revenues, website retooling and e-news strategies to drive traffic and donations, database development to support fundraising, or communications strategies with a fundraising goal.



conclusion:

The success of FACT's capacity building program is due to many factors:

- We thoroughly researched the organizational development needs that our grantees identified, as well as the models used by other funders and their lessons learned.
- We provided a variety of streams of support for our grantees to tap into. Participation was voluntary and the groups determined when the time was right for them.
- We provided support that was easy to access and didn't overly burden grantees with reporting requirements.
- We were flexible, nimble, and responsive to the changing external landscape.
- We ensured confidentiality, which allowed groups to dig into real challenges.
- We evaluated and modified all aspects of the program annually to ensure that it was valuable to our grantees and provided the assistance they needed to succeed.

We wrote this report in the hopes that our experience and lessons learned will help inform other foundations as they strengthen their grantee organizations. We have found that this part of our grant making has made a remarkable difference in the capacity of our grantees to win victories, weather leadership transitions and financial crises, and adapt to changing circumstances. We have also found that our capacity building program has been one of the most satisfying parts of our grant making.

We describe our mission as supporting multi-issue community organizations that educate community members to organize and advocate collectively on their own behalf on issues and policies that impact their lives. Without a doubt, however, our overarching goal is strengthening organizations.

For more information on FACT's Capacity Building Program and a list of our MAP consultants, please visit www.factservices.org.

appendix 1 Management Assistance Program, Confidentiality Policy

The free flow of information between grantees and consultants is critical to the success of MAP. However, grantees may be reticent to disclose certain information with consultants if they think it will be shared with FACT program staff. To assure grantees that honestly confronting thorny issues won't affect future FACT funding decisions, FACT observes strict confidentiality with respect to any work undertaken through its Management Assistance Program.

- Consultants may share client information with other consultants (but not FACT staff) to coordinate or improve the services they are providing to the grantee, and/or to assist the coordination and oversight of the capacity building program itself.
- Consultants may share grantee information with FACT staff only in extreme circumstances such as violations of the law, or if the consultant believes that the integrity or reputation of FACT's grant making are at risk. In such cases, the lead consultant will strongly encourage the grantee to bring the information to the attention of FACT staff directly. Only in these extreme circumstances, if the grantee does not bring the issue to FACT staff, will the consultant or lead consultant share information with FACT.

appendix 2 Application for MAP Capacity Building Program

To apply for support for consultant services, FACT grantees must submit a one to two page written request that should indicate the following:

- The specific type of technical assistance needed
- Why this is the right organizational moment to engage in this endeavor
- Which organizational stakeholders the group will involve in the process
- The organization's commitment to this process
- The organization's readiness for and ability to implement change
- Any other capacity building or infrastructure development currently underway
- Any other consultants currently engaged by the organization and their roles

Do not specify a dollar amount for the assistance requested. FACT staff will review the request, and if approved in concept will turn it over to a lead consultant. After a brief conversation with the grantee, the lead consultant will make a brief needs assessment and recommend two potential consultants from the MAP pool with the right mix of skills and experience to work with the grantee.

The grantee will have the opportunity to interview the recommended consultants by phone and make a final selection. The chosen consultant then develops a detailed work plan including an estimated budget based on the number of hours s/he thinks is necessary for the project. The grantee, consultant and lead consultant will all sign off on the work plan. The lead consultant oversees budgeting, the implementation of consulting services and ongoing project evaluation. Consultants provide general updates to FACT staff in keeping with our strict confidentiality policy.

appendix 3 | MAP Final Report Prepared by Grantee

Date: Name of Organization: Name of Person Completing Report:

Reporting/Project Period: Name(s) of MAP Consultant(s):

Please complete the following report describing the capacity building work for which you received FACT support. This information will help us evaluate the outcomes and impact of the MAP program. This report will be shared with FACT staff.

A. SATISFACTION WITH THE PROJECT CONSULTANT(S)

1. Please indicate your level of satisfaction with your MAP consultant(s):

How satisfied were you with…	Very Dissatisfied 1	Dissatisfied 2	Satisfied 3	Very Satisfied 4	NA/No Opinion 0
A. The consultant's coordination and management?					
B. Work products and documentation?					
C. The consultant's ability to complete the project within the mutually agreed upon timeframe?					
D. The extent to which the consultant's services helped your organization reach its goals for this project?					
E. The extent to which the consultant's services contributed to your organization's skills, knowledge, and/or systems?					

2. Briefly discuss what you learned, if anything, about selecting and managing technical assistance providers:

B. RESULTS OF THE CAPACITY BUILDING PROJECT

1. Please review, reference and describe here the Goals and Anticipated Outcomes from the approved scope of work.

2. Did the goals or anticipated outcomes change over time, and if so, why?

3. To what extent do you feel the organization achieved its goals? Please circle.

Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied
1	2	3	4

4. Along the way, what progress was made? Describe some key benchmarks in the process to achieving your goals. Please share any highlights or notable moments for the organization during the course of the MAP consultancy?

5. What level of impact has this work and process had on your organization and the people in it? For example, describe any shifts in work processes, organizational structure, strategy, etc. Please circle.

No Impact	Very Little Impact	Some Impact	Enormous Impact
1	2	3	4

Please explain briefly:

6. Do you feel that changes in the organization can be sustained over time? How?

7. Are there tools, practices, processes that your organization learned from this experience and will continue to implement on its own?

8. Describe any problems or challenges you encountered? How did you respond to them?

9. Were there any surprises you'd like to share?

10. Are there things you learned from this process that might be helpful to other organizations?

11. Where do you go from here? Did this process reveal new or next priorities for capacity building?

12. Is there anything else you'd like to add about this experience, the MAP program, or the consultant's performance?

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