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EXECUTIVE SUMMARY

The following is a summary of findings and recommendations from TDC's assessment and evaluation of the Nonprofit Support Program of the Hartford Foundation. TDC's working hypothesis was that over time, organizations that elect to take advantage of multiple NSP resources build their organization's capacity in significant ways. The organizations selected for in-depth interviews reflected this bias as did the literature review.

Methodology

TDC conducted in-person or telephone interviews with the following stakeholders:

- All NSP staff

- HFPG President and VPs

- 26 Executive Directors of organizations that have accessed multiple NSP resources

- 8 Executive Directors of organizations that are "too small" or "too large" to access most of NSP's resources

- HFPG strategic planning consultant from OMG

- 5 Peer Programs/Field Leaders (as part of best practice research)

In addition, TDC facilitated 4 focus groups:

- NSP consultants – 3 groups

- HFPG Program staff

TDC also undertook a literature review on best practices in organizational capacity building.

Overview of Findings

- NSP is doing a wonderful job. The complement of NSP's programs are, by and large, having their intended impact and making a significant and positive difference in the organizational capacity of the Hartford region's non-profit organizations

- All **stakeholders had high praise for NSP,** offering consistent appreciation for the universe of NSP offerings and respect for the thoughtful and committed staff.

- **Access to NSP was lauded as easy and inviting;** staff were described as honest, approachable partners. Grantees felt comfortable being candid with staff, feeling confident information would not be used against them. They also valued staff's ability to be thinking partners (when asked), as well as their candor in assessing an organization's situation and a suggesting a course of action. Consultants who have developed relationships with NSP staff describe the interaction as highly beneficial for their client.

- **NSP's offerings are wide and varied and staff are flexible,** leaving few if any gaps for eligible organizations committed to building their capacity (although NSP budgets do not always cover the full cost of what is needed)

- **Organizations that elect to take advantage of multiple NSP resources build their capacity in significant ways;** the impact is more limited when the intervention has been more limited. Without an intimate working relationship with NSP or a required comprehensive assessment, **organizations sometimes select inappropriate programs, choose programs in the wrong order, or overlook relevant programs.**

- In general, those organizations that developed trusted relationships and open, frequent communication with NSP staff were the least likely to report challenges or missteps

- The operating environment for non-profits is extraordinarily challenging right now, and capacity building is needed more than ever, but the resources to devote to capacity building are hard to come by, even for the larger budget organizations

- **NSP is a mature and thoughtful provider of capacity building,** in the context of its own marketplace as well as in the context of the larger arena of capacity building providers across the country

- Additionally, **staff within the Foundation deeply appreciate NSP's work and collegiality.** NSP is recognized as a valuable internal resource as well as garnering much goodwill for the foundation in the community, creating access for virtually all organizations in one way or another. Colleagues envision NSP being able to do more, recognize that doing so would require additional investment, and hope that needed support will be provided.

Recommendations

NSP has had a **consistent, significant and positive influence on the capacity building of the region's non-profits;** this was highlighted in the LaFrance evaluation in 2005, and TDC's evaluation reaffirmed this. Now, the question is, **how to take NSP to the next level,** in the context of the work that the program has been doing all along as well as in the context of helping to support the priorities that are emerging from the Foundation's strategic review.

In TDC's opinion, NSP can keep delivering its current complement of programs and continue to make a significant and positive difference in the organizational capacity of the region's nonprofits. We also believe that at this stage in NSP's evolution, as a mature and leading provider of organizational capacity building programs, there is an opportunity to think about how the program might do its work differently. NSP has provided services in a value neutral way within budget and geographic parameters – are there priority values which would guide a focused application of resources?

The Foundation's current planning process will help guide and shape NSP's role going forward, however in the interim TDC believes there are several opportunities NSP might explore in the next several years, as detailed below.

NSP PROGRAM COMPONENTS

1. Organizational Assessments

TDC's interviews with grantees, consultants and program officers revealed two major reasons for the underutilization of this resource: confusion and reluctance. Many organizations which did undertake an organizational assessment came to appreciate the value of this exercise as a starting point for organizational capacity building.

Suggestions for NSP to consider that emerged from TDC's conversations include:

- Promote increased use of the organizational assessment. Rebrand the organizational assessment as "organizational discovery," with a more positive connotation.

- Explore and refine the best way to undertake organizational assessment, including exploring whether to encourage this assessment be undertaken at key points in an organization's life cycle (e.g. executive turnover, senior staff turnover, major funding/financial issues, etc.), how the approach to assessments might vary by size, and the best blend of written tools and in-person discovery.

2. Technical Assistance Grants (TAGs)

TAGs were praised as one of the most flexible and useful components of the NSP tool box, and organizations greatly appreciate the ability to receive consultant and implementation support tailored precisely to their needs. TDC recommends that NSP:

- **Continue to offer TAGs in a** flexible and responsive manner, as these represent one of NSP's most adaptive tools.

- **Consider using TAGs** to enable organizations to plan for multiple capacity areas based on the results of a recent strategic plan (similar to the Foundation's Multi-Service Agency Initiative)

- **Consider re-branding TAGs** to eliminate the confusion between "technical assistance" grants and "strategic technology" grants.

EXECUTIVE SUMMARY

3. Financial Management

The opportunity to take on 'nuts-and-bolts' financial system work was viewed as very valuable by participant organizations; the significant time commitment required was seen as worth the effort and program consultants were perceived to be knowledgeable. Grantees also appreciate being able to pay for staff through this grant. Organizations that completed the program also expressed an interest in an opportunity to engage in a higher-level, more tailored financial management program.
In the coming year, TDC recommends that NSP:

- **Conduct an assessment of the financial management program** to explore what else might be added to complement the very solid program elements already in place, either for first-round participants or to expand to include a second-round experience

4. Strategic Technology

NSP's strategic technology program format works well, NSP's technology consultants received high grades, and the required time investment was viewed as worthwhile. Organizations and consultants noted that the technology arena is continually evolving and they are deeply appreciative of the opportunity NSP affords them to continue to learn about and implement new technology applications. Given this evolution, TDC recommends that in the coming year, NSP:

- **Convene the technology program consultants** to explore how to ensure that the program's structure and guidelines keep pace with recent and ongoing developments in the field.

5. Other NSP Learning Opportunities

NSP's *Executive Management Institute and its Leaders Circles* were both praised as being extremely helpful to participants. Grantees and consultants expressed a need to build the leadership capacity of organizations by engaging next-generation senior or mid-level staff. TDC is aware that **NSP is currently working on the development of some new programming for emerging leaders and we encourage this effort.**

ADDITIONAL AREAS FOR CONSIDERATION

1. Consultants as NSP Partners

A number of consultants who frequently work with NSP grantees do not have an in-depth knowledge of NSP resources and eligibility guidelines. At the same time, they expressed a willingness to serve as NSP ambassadors. Consultants also expressed an interest in providing more feedback to NSP about their engagements, believing it could help some organizations to build their capacity in a more strategic manner.

Looking to the future, TDC recommends that NSP **enhance its already solid working relationship with consultants.**

- Continue to build consultant capacity to serve as NSP's ambassadors, as well as to deliver a broader and more sophisticated complement of services.

- Continue to have ongoing dialogue with consultants on how NSP can continue to support them in building their skills to serve the evolving needs of the region's non-profits.

2.   Consider Expanding Eligibility

NSP is an extremely valuable and unique resource in the region, and some observers suggested that it might be helpful to expand the program's reach. TDC recommends that **NSP pilot and explore ways to make its resources more broadly available to smaller and/or larger organizations, particularly if these organizations are a priority to the Foundation.**

3.   Measuring NSP's Impact

Demonstrating that capacity building programs have managed to spur organizational improvements that lead to more effective nonprofits is a challenge widely acknowledged in the literature. Truly meaningful changes in organizational culture and program quality do not lend themselves to straightforward measurement. As the largest provider of these services in greater Hartford, NSP has a unique opportunity to track the effects of its capacity-building services on its grantees. By doing so, the program can demonstrate its impact, building on its own, and the field's, growing knowledge of what works in capacity building.   Therefore, TDC recommends that NSP **revise its current outcomes measurement approaches.** Over the coming year, NSP should refine its reporting system so that it is tied to the priorities of participating organizations, is not unduly burdensome for these organizations, and enhances both organizational and NSP learning.

4.   Concentrating Resources and Relationships

The NSP program is currently designed to support the Greater Hartford nonprofit community in general, electing to serve more organizations well over serving a few perfectly. To date, NSP has worked hard to strike a balance between customization and partnership (necessary for effectiveness) and access (necessary for HFPG and NSP's broad-ranging mission). It is the quintessential breadth versus depth trade-off; historically NSP has provided breadth, therefore the impacts of its efforts are necessarily more limited.

TDC recommends that in the next stage of its evolution, NSP explore and pilot how it might concentrate some of its resources and relationships to reflect and support the Foundation's priorities. The Foundation's strategic review should ultimately inform how this concentration of resources might be structured. Preliminary thinking about how NSP might approach this shift includes:

- **Explore piloting a deeper and more intentional relationship with some priority organizations.** NSP currently offers organizations an opportunity to seek depth in the working relationship, but the extent to which the organization pursues this depth is ultimately driven by its Executive Director. TDC found support for our working hypothesis that organizations that elect to take advantage of multiple NSP resources build their capacity in significant ways.   NSP should experiment with being more pro-active in building this relationship with organizations that reflect HFPG's priorities. NSP's core belief in the importance of the Executive Director's commitment to this work should be reflected here as well – if a concentration of effort is to be pursued, it should be a priority to both HFPG as well as to the Executive Director and Board leadership.

- A core component of this deeper relationship should be the **nurturing of a "relationship management" model of technical assistance, matching the long-term timeframe of capacity building with a consistent long-term relationship** with an NSP staff member.   Some mature capacity building providers utilize this approach, with significant results. Rather than being created anew, this can and should build on the staff's existing thoughtful partnering with non-profits.

- TDC envisions a few different possibilities for how NSP might pilot exploration of this deeper relationship:

  - Explore pairing the deeper NSP relationship with a commitment to operating support, through the work of the Operating Support Committee.

  - Deepen the NSP commitment for a select cohort of organizations that are identified as addressing a HFPG priority area through the strategic review process.

  - Pilot a deeper relationship with a cohort of small, grass-roots groups that are identified as addressing a HFPG priority area through the strategic review process.

Ultimately, **this approach is likely to require additional staff and/or consultant resources**. NSP should use the coming year to explore how the pilot might be structured, and then clarify the resource implications of the emerging structure.

Conclusion

Being mindful that the Foundation has not yet completed its review process, it is clear that there will be a role for NSP. NSP has an opportunity to position itself to do more and to begin to experiment with more targeted approaches to its work. Ultimately, the key question for NSP and the Foundation is the depth vs. breadth trade-off. Based on TDC's conversations with internal stakeholders, it appears that the time is right to test the Foundation's appetite for a limited expansion of and/or a deepening of NSP's approach to capacity building.

INTRODUCTION

In 2010, TDC was invited to conduct an assessment and evaluation of the Nonprofit Support Program (NSP) at the Hartford Foundation for Public Giving (the Foundation).   The purpose of the assessment was to understand the connection between NSP offerings and their impact on grantees in order to gain insight into where best to apply NSP's resources for maximum impact.

NSP was launched by the Hartford Foundation in the late 1980s as a small grants program. Over the past two decades, NSP has matured to address the gamut of non-profit capacity building, including planning, technology, financial management, evaluation, board development and leadership development. Today, NSP provides a mix of assessment, training and technical assistance in all of these areas.

NSP has received significant and consistent investment from the Hartford Foundation to address the capacity needs of many non-profit organizations in the Foundation's service area. The Foundation is committed to improving the organizational capacity of grantees, under the theory that well-run organizations deliver their services more effectively. NSP's annual budget is approximately $900,000, and its grantmaking, comprising 70-75 grants per year up to a maximum of $50,000 each, has been about $1.6 million over the past several years. NSP has also conducted independent evaluations of its work at a number of key moments in its history, most recently in 2005.

For this assessment, TDC was asked to build on NSP's prior evaluation efforts and to answer the following questions:

- What can be learned from current research and practices?

- Is NSP adequately addressing the current needs of grantees?

- How can this evaluation of NSP's services inform our future programmatic choices?

- How can NSP improve its impact and achieve greater reach into the community?

In the pages that follow, we offer our findings and recommendations in response to NSP's inquiries.

Evaluation Methodology

A.   What Was Assessed and Methods Used

TDC used a variety of research methods to generate data to answer the evaluation research questions. Our evaluation methods included the following:

- To launch the project, TDC talked with key staff from NSP in order to:

    - understand the goals and structure of the NSP program, and put them into the context of the larger whole of the Foundation's giving;

    - frame key questions to be addressed by the evaluation research; and

    - develop an appropriate research methodology.

- TDC reviewed NSP's written materials, including past evaluations, existing logic models, and evaluation survey results, to provide additional context.

- TDC then worked with NSP staff to select a representative sample of 26 grantee organizations that have taken advantage of two or more NSP resources/grants during the past two years. A list of grantees in this sample is included in the appendix to this report, along with a list of their NSP projects.   TDC's working hypothesis for this evaluation, developed in tandem with NSP staff, was that over time, organizations that elect to take advantage of multiple NSP resources build their organization's capacity in significant ways. The organizations selected for in-depth interviews reflected this bias, as did the literature review.

- To learn more about each sample organization's NSP efforts, TDC reviewed summary reports for each grant from the perspective of the organization and each participating consultant when they were available. TDC also reviewed each organization's website to obtain an overview of each grantee.

- The heart of the evaluation research was an in-depth interview with the Executive Directors of the 26 organizations in the sample. The interview protocol is attached as an appendix.

- TDC also conducted interviews with 8 Executive Directors of organizations that are "too small" or "too large" to access most of NSP's resources because they do not meet budget size eligibility guidelines. This list of organizations is also appended.

- TDC also interviewed the Foundation's President and 3 Vice Presidents, as well as the consultant from OMG who is leading the Foundation's strategic review process.

- Focus groups were conducted with:

- - 18 NSP consultants: 2 groups with TAG consultants, and 1 session with Financial Management and Technology Planning consultants

  - 7 Foundation program staff

- To put this review of NSP into a larger context, TDC also reviewed some of the recent literature on capacity building. A full list of sources is attached.

- A sample of 5 other capacity building providers were interviewed, including the Boston Foundation, Bruner Foundation, the Evelyn and Walter Haas Jr Fund, the Hawaii Community Foundation, and the Meyer Foundation.

- Finally, TDC and NSP staff had ongoing discussions throughout the course of the evaluation effort to review and discuss preliminary findings and their implications for the future. TDC had an opportunity to preview its findings with the Foundation President and Vice President for Program.

B. Limitations of the Research

By using several different methodologies and speaking with a range of stakeholders, TDC was able to generate rich qualitative data on which to base its findings and recommendations for future NSP grant making. TDC was also able to build on the solid platform provided by NSP's past evaluative efforts.

However, it should be noted that even with diverse methodologies, the research conducted by TDC has some limitations. For example, the heart of TDC's research was comprised of in-depth confidential interviewees with grantees who offered their perspectives on NSP's grant making as well as on the results of their own capacity building efforts. Thus, much of the information TDC gathered was based on grantee self-assessment and self-reporting, which by its very nature is subjective. Furthermore, TDC's research included a single conversation with each grantee at a given point in time. Additional interviews conducted over a longer period of time would yield more information about NSP efforts and paint a more complete picture of what the organization had learned, how it had been able to strengthen its capacity, and whether the organization was able to sustain that capacity. Moreover, for some projects, additional time, perhaps years, will be needed to fully realize the benefits of the engagement. In spite of these limitations in research methodology, TDC was able to gather useful data to help assess the impact of NSP funding and inform decision-making about future NSP grant making.

The report that follows addresses two overarching questions:

- What has been the impact of NSP's current programming?

- What are the components of effective capacity building?

The final section of the report presents TDC's recommendations.

TDC wishes to acknowledge and thank all of the participants in our interviews and focus groups who were so generous with their time and so candid and thoughtful in their responses to our many questions. A special thank you is due to all of the NSP staff – Annemarie Riemer, Meher Shulman, Amy Studwell, Dick Cave, Betsy Johnson and Shirley Beyor. The NSP staff is to be commended for their willingness to continually ask, "How do we do our work better?"   TDC has enjoyed our dialogue with NSP and Foundation staff to date, and hopes that the findings and recommendations from this report will play a significant role in continuing to enhance a strong program.

What has been the impact of NSP's current programming?

An important starting point for this assessment was to look at the impact of NSP's current programming. To do so, TDC synthesized its findings from interviews and focus groups with various NSP stakeholders and peer institutions/leaders (listed in Appendices A & B).

A. High Praise for NSP

NSP consistently received high praise from grantees, Foundation colleagues, consultants and peer capacity-building providers. NSP's work and its staff were viewed to be thoughtful and high quality. One peer provider of capacity building services offered, "If I were asked to name the top ten foundation capacity building programs in the country, I would name NSP." NSP's ongoing involvement with Grantmakers for Effective Organizations (GEO) has positioned the program as a highly regarded national resource which offers great depth and experience within the field.

Similar sentiments were expressed by NSP grantees. At least one grantee believed that NSP should be recognized nationally for their model, especially because NSP "doesn't make you jump through hoops; they make the grant process easy." Many other grantees appreciated the comprehensiveness of NSP's offerings, and noted "even if they only offered the workshops it would be amazing." A number of organizations echoed the sentiments of one executive director who offered, "We're very lucky to have them, because the things they offer are never in your budget but you really need them."

Colleagues within the Foundation described NSP as providing an "excellent buffet of offerings" for a wide range of organizations. "NSP is the best poster child for the Foundation writ large; we rely on them." The opportunity for organizations to access multiple capacity building grants is viewed as an important benefit and one program staff member noted that NSP's "Leaders Circle and Financial Management Program had a great impact on grantees in my portfolio."

Grantees used words like "very credible, very talented" to describe NSP staff and offered comments such as "I wouldn't hesitate to ask them a question; they are my touchstone." Grantees consistently reported that it "never works against you" to be honest with NSP. At the same time, grantees were quick to note that NSP doesn't "sugarcoat things … they tell it like it is." "If you go into NSP thinking where can I get money for X versus what is it I really need to do, that's not so useful … and they'll find a way to tell you that."

Feedback from consultant focus groups also revealed a deep appreciation for NSP due to the variety of support available to organizations; the staff's judgment and level of involvement; and the fact that grantees have "no fears" associated with NSP. Some consultants also view NSP as thinking partners, while others covet this type of relationship.

When asked to talk about how organizations navigate the assortment of NSP resources, executive directors with whom we spoke (who were NSP veterans) were now very comfortable with accessing the help they need. Offered one interviewee, "It took me awhile to learn how to navigate NSP, but now I get it, it's part of my toolkit." They reflected on the fact that the "name game" for all the different programs can be a little confusing and that sometimes it seems "very compartmentalized" and "a little challenging to position my ask within what I think of as their construct, the confines of their program."

Foundation program staff suggested that development of a joint outreach strategy with NSP targeted at new Foundation grantees that haven't participated in NSP offerings might help organizations more easily access these valuable resources. Finally, one Executive Director noted that "the word *capacity* gets tossed around a lot at the Foundation. I think of NSP as supporting *organizational effectiveness'*(quality) and the program side of the Foundation as supporting *organizational capacity* (size and quantity)."

In sum, our findings reveal NSP as a mature and thoughtful provider of capacity building, in the context of its own marketplace as well as in the context of the larger arena of capacity building providers across the country.

B. NSP Program Components

In the section that follows, we offer feedback about specific NSP programs and learning opportunities, as follows:

- Organizational Assessments

- Technical Assistance Grants (TAGs)

- Financial Management Program

- Strategic Technology Program

- Leadership Development Resources

- Board Development Resources

- Workshops

- Program Evaluation

- Other Offerings

NSP Program Components

ORGANIZATIONAL ASSESSMENTS

NSP staff expressed an interest in learning why more organizations do not take advantage of an organizational assessment. In recent years, NSP has received requests for 15-20 organizational assessments each year. TDC's interviews with grantees, consultants and program officers revealed two major reasons for the underutilization of this resource: confusion and reluctance. Many organizations claimed not to know about this option or believed such an assessment occurred as part of a strategic planning process, while a few organizations felt it was an implied requirement that they undertake an organizational assessment to successfully access a TA grant. One Executive Director reported, "They (NSP) suggested doing an assessment to get a focus. I wouldn't have done it if they hadn't suggested it. They may need to change the way they market it." Offered another, "I don't think it sounds very sexy and it doesn't speak to a clear need. Maybe it should be framed as a check-up rather than a diagnosis. If an organization is looking at a change process you might suggest that they go through it again. You could think of it as change management."

A couple of interviewees speculated that organizations might be reluctant to undertake an assessment for fear that if problems were surfaced, they could result in negative consequences for their organization, either with NSP or with Foundation grantmaking. When asked if their organization or an organization with which they were familiar had experienced such consequences, the answer was consistently no.

NSP consultants were nearly unanimous in their belief that every organization that is new to NSP should complete an organizational assessment. "Every new Executive Director should start here but there's a limit to how much a board is able/willing to tackle. Time commitments and competing priorities are critical considerations and the Executive Director has to decide what to do first." Consultants also suggested that educating boards about the value of an organizational assessment at specific times in an organization's life cycle would be helpful and might encourage greater participation.

Looking beyond Hartford, the extent to which organizational assessments are used by peer capacity building programs

A few interviewees suggested that some executive directors tend to think they know their organization's needs and prefer to go straight to a program with project money attached. In fact, executive directors who have taken advantage of organizational assessment offered the following perspectives:

"I think that a better assessment of organizational needs must come first because sometimes you don't know what you don't know."

"I had a vision and plan about how I wanted to proceed, but NSP suggested I not get ahead of myself and instead start with an organizational assessment. It didn't take long (to complete) and I did learn from it."

"Organizational assessment was very helpful in articulating issues we already knew about, but it was a necessary step to engage the board; to ensure they had these insights, and it wasn't just me saying change was needed."

consulted by TDC also varies. Most of those interviewed said they do not consistently require an organizational assessment, but rather "let the organizations themselves prioritize their needs." That being said, some interviewees also acknowledged that "organizations sometimes misdiagnose their issues" and/or "the consultant may point out that there is a problem which was not identified by the organization."

In contrast, the Haas Jr. Foundation finds an assessment to be an essential starting point. They have a stable of "plan consultants" under contract. These "plan consultants" play a key role in conducting an initial organizational/leadership assessment. They then guide the implementation of the technical assistance plan, essentially acting as "the architect and general contractor for the technical assistance work at that organization."

TECHNICAL ASSISTANCE GRANTS (TAGS)

NSP's Technical Assistance grants were lauded as an extraordinary resource for critical capacity-building projects. In 2009, NSP awarded approximately 22 TAGs for total funding of $308,739. Demand for TAGs has increased significantly in 2010. Strategic planning topped the list of most frequently used TAGs, but grantees spoke of human resources, board development and fundraising TAGs. Additionally, a couple of interviewees who sought guidance from NSP staff for a specific, more tailored organizational issue they wanted to tackle reported that staff helped them to develop a project eligible for TAG funding.

Many respondents noted that NSP's practice of providing grantees with a small implementation allowance as part of their TAGs for additional consultant time was especially appreciated. At the same time, a handful of interviewees suggested that sometimes it makes more sense to use this funding for something other than consultant time. A request for flexibility in the use of these funds was suggested. Noted one Executive Director: "Some things are better handled by a pot of money instead of a consultant. A fund development effort might need a head start funding a part-time person." Another example cited was development of collateral materials at the end of a marketing project.

Feedback on strategic planning projects was overwhelmingly positive and included some suggestions for the future. A couple of grantees described their planning experiences as

For example, one organization was transitioning from a membership organization and needed help to think about how to reframe its governance model and then implement a new structure. NSP staff assisted the Executive Director to articulate the key issues and outcomes associated with this significant transition, and then to develop a meaningful RFP designed to re-invent the organization's governance.

transformational; one noted that scenario planning worked well and helped the organization make a clear choice about its course for the future. Another organization offered a rave review of the Results Based Accountability model that was at the core of its planning effort, noting that there was "a lot of work focused on a success hypothesis for the agency, a theory of change, and detail that hadn't been done before. Now we have a plan laid out, and have done some work on a dashboard (indicators) for the board."

When asked for suggestions to improve TAGs, a handful of seasoned, more business-oriented executive directors expressed a need for strategic planning consultants "with expertise in competitive intelligence - knowing where you are, where you stand in the competitive marketplace and why, as well as what to do about that." One of these respondents also reported that not finding a consultant "savvy enough in our business resulted in a plan that is sitting on a shelf. Our consultant didn't challenge us enough and focused only on the current market – we needed emerging market research." At the same time, several NSP consultants pointed out that "business plans cost more than NSP pays, so it's hard to suggest to organizations this is what's needed when they have no way to pay for it."

Finally, TAG consultants commented on the current guidelines used by NSP in two areas: the size of organizations eligible to apply for a grant; and the size of the grant relative to an organization's needs. Several consultants who work with organizations with annual budgets that exceed NSP's eligibility guidelines for a TAG grant suggested that NSP may want to reconsider the issue of eligibility for larger organizations. On the issue of grant size and its correlation to an organization's need, a number of consultants felt strongly that "an organization's level of function/dysfunction matters more than its annual budget" when determining what is an appropriate budget for a TAG project

FINANCIAL MANAGEMENT PROGRAM

The opportunity to take on 'nuts-and-bolts' financial system work was viewed as very valuable by organizations that have had an opportunity to access this NSP resource. The significant time commitment required was declared to be worth the effort.   In 2009, NSP awarded 8 financial management grants for a total of $237,445. Program staff were described as very easy to work with, clear, fair, and extremely considerate; most program consultants were also perceived to be knowledgeable. Grantees very much appreciated being able to use a portion of their grant to pay for staff. Several organizations commented on NSP's flexibility and willingness to allow grantees to pause or slow down a process if unexpected priorities emerge. Offered one respondent, "We had a hard time conceptualizing how to document implementation of a new system and we didn't get there right away. We just couldn't do the work at that time. Now that we're through a certain level of transformational change it feels like time. NSP said we can do a mini-assessment (essentially updating an existing assessment) now and move forward on implementation."

NSP expressed an interest in learning if organizations that had completed the program had a need for additional financial management support. Several of the more seasoned executive directors wanted a framework for thinking about how their financial model might become sustainable over time, but couldn't articulate what form such a project might take. Similarly, several Executive Directors voiced an interest in doing work tailored specifically to their organization that might require subject area expertise beyond, or different from, that of the financial management consultants with whom they have worked. One commented: "It would be helpful to do some financial modeling on debt-equity ratios and a loan loss reserve. I need content-specific help."   This may indicate a need for an intermediate or advanced program with content that is broadly applicable to a range of organizations (e.g. risk management, dashboard indicators, capitalization), or it may mean that past a certain point of general knowledge a customized approach is needed in this area.

Consultants commented on the importance of building understanding of and comfort with financial management throughout an organization. Specifically, they observed a need for organizations to develop the capacity of specific staff

A couple of Executive Directors commented on the challenge of engaging board members in the financial management planning process, asking:

"How do you work effectively with boards made up of some members who are knowledgeable and others who are not knowledgeable about financial management?"

One interviewee noted that several board members with knowledge in this area initially viewed the planning sessions as not useful,

"but in retrospect I think it gave them more than they realized, especially through the discussions that followed, the documents we produced, the way we integrated the knowledge."

members to use financial tools. Two ideas suggested by consultants to promote such capacity building included connecting organizations with existing networks of financial managers and training on how to use financial tools for non-financial staff.

STRATEGIC TECHNOLOGY PROGRAM

NSP's Strategic Technology program is hugely popular and highly valued by all organizations that have taken advantage of this resource. In 2009, 29 organizations were awarded a total of $969,848 in strategic technology grants. There was consensus that the program format (assessment, plan and implementation) works well, that NSP has continued to improve the program over time and that the required time investment on the part of organizations was worthwhile. NSP staff was reported to be flexible, fair, and able to provide good guidance; NSP's technology consultants received similar high grades. The ability to access technology resources multiple times was viewed as an extraordinary gift.

NSP staff asked TDC to solicit ideas to improve the program, noting that the idea of allowing leasing costs to be grant-eligible, versus the current purchase-only option, was an area of particular interest. TDC learned that grantees are grateful that NSP will pay for "hidden" technology costs, such as wiring/cabling, they also expressed a desire to be able to lease rather than buy certain items, such as copiers and software, over multiple years versus only during the first year of implementation. In a similar vein, sometimes a web-based software solution with a monthly fee is more effective and saves money relative to a purchase option. The issue of whether to have the grant pay for multiple years of rented/leased services relates to the question of what NSP wants to achieve. Is the goal of strategic technology product-oriented or is the purpose to push organizations to think about how technology helps address their mission and organizational goals? If NSP wants to help support operations so that resources can be freed up for programs and programmatic innovation, paying across multiple years makes sense. If NSP wants to push organizations to increase self-sufficiency, with periodic advancement leaps, it should insist on one-year spending. Mixes could be possible too.

There was interest on the part of grantees in learning about different technology applications such as how to better use the Internet and/or an organization's website as a communication vehicle, how to develop, implement and manage on-line

Examples of successful strategic technology projects include:

"This technology plan helped us think about our business today and 5 years from now."

"We were basically in the stone age with technology and the way we managed our functions. They actually sought me out and asked me to apply." (This interviewee thought the results of an organizational assessment might have been the reason NSP reached out.)

"The upfront 'lead time' felt really long. They made us do a 3-year plan which turned out to be very smart. At the end of the day, this has been the most valuable NSP project for us."

"We learned how to RFP our technology services and now we're getting more service at a lower cost."

payments/contributions, and when it makes sense to consider using cloud software.

Organizations that have been through the strategic technology program more than once offered mixed feedback about the full value of the program for "veterans." Although most agreed that it makes sense to complete an assessment and to develop a new 3-year technology plan, some organizations expressed the opinion that the training is sometimes not worthwhile. "Some of the content is so basic the second time through; it's a waste of my time. Could they put some of it on-line instead?" A few respondents noted a need for industry-specific expertise as they seek to advance their technology applications:"The consultant didn't know our industry-specific stuff, so we missed some opportunities. This plan should have taken us further with that than it did. Doing it again, we'll be looking at infrastructure and program specific applications that we'll need specialized help with."

The program's consultants were appreciative that NSP staff is reviewing and will be updating specific components of the current toolkit (e.g. techatlas). They also raised the issue of how organizations find reputable technology vendors, noting that organizations often look to NSP consultants for referrals. Consultants believe this practice makes it less likely that NSP grantees will find newer vendors or vendors unknown to NSP consultants. A few suggestions were offered about how to expand the vendor pool, but concerns about quality and perceptions about NSP endorsement remain. Engaging consultants and grantees in a conversation about how NSP might expand its technology vendor pool would be a worthwhile endeavor.

Technology consultants also suggested it might be helpful to organize networking groups around common technology challenges and/or develop a mechanism to promote effective technology use among non-technology staff.

Both financial and strategic technology consultants expressed a desire for clarification about some of the programs' rules and policies, noting that grantees often ask their consultants if a specific activity or purchase is eligible for NSP funding. In some cases the answer is clear cut, in others there is more gray area. Some consultants are unsure whether they should refer any and all questions back to NSP or whether they should respond to a grantee's inquiry when they are certain there is a clear "yes or no"

Other examples of future technology challenges and projects suggested include:

"We operate with nine funder-mandated data bases and have only 20 employees. How do we get all our data in a centralized location? This requires more than the consultant can provide for us. We don't know the solution and it's expensive to figure it out. We need a systemic solution."

"Could NSP help a group of organizations think about how we might use or hire one technology consultant (or staff person) to service all of us, rather than each of us having separate contracts?"

answer. As these programs have matured and new technology applications continue to emerge, it would be useful for NSP to meet with its financial and technology consultants to review each program's rules/eligibility criteria.

LEADERSHIP DEVELOPMENT PROGRAM

NSP's Executive Management Institute (EMI), Leaders Circles, and Advanced Leaders Circles received rave reviews from most participants. Many Executive Directors felt these programs were extremely well planned and facilitated, and found them to be enormously helpful. Feedback indicates that NSP has continued to improve its model by soliciting and acting on participant feedback. Most Executive Directors reported that the mix of participants worked well, as NSP was careful not to put competitors in the same group. For a few individuals, the mix of seasoned and first-time executive directors was sometimes challenging, but overall the experience was a high point for most participants.

One interviewee suggested that perhaps NSP could offer one or two refresher classes for advanced leaders, noting that so much material was presented it was hard to fully absorb everything. The opportunity to hear about new or changing rules and regulations (e.g. audit rules, health care) would also be appreciated. Finally, this respondent commented on the value of the resource notebook provided to all participants, noting that it continues to be an extremely useful reference.

Grantees and consultants expressed a need to build the leadership capacity of organizations by engaging next-generation senior or mid-level staff. TDC is aware that NSP is currently working on the development of some new programming for emerging leaders and we encourage this effort. A similar Emerging Leaders Circle model for next-generation staff would likely be well-received.

Feedback about these offerings included:

"I was new to nonprofits and wasn't sure this would be effective for me. I wasn't sure it was worth my time, but I quickly realized the whole nonprofit world is so different from my past world."

"I liked the peer circle because as a nonprofit leader you're very isolated. It's really helpful to be able to talk to peers. Our facilitator was very good but I don't think it (the circle) needs to come with the management training."

"I participated in the Advanced Leaders Circle, which was a leap of faith for me, not my style ... at a point in time where I was feeling frustrated. I wasn't happy with my organization's progress and felt like I'd hit a wall. This was perfect timing."

"Two years ago, after our first year, the facilitator ended the engagement, but the group continues to meet. We continue to have high attendance and it's very helpful; I developed relationships with my peers."

"Networking with other executive directors was the best. It gave us a place to safely talk about anything. It taught me I needed to do board development."

BOARD DEVELOPMENT PROGRAM

Virtually all respondents raved about NSP's board development training and appreciated the opportunity to work with a consultant after the training to carry out a board development project. Chuck Loring's presentation content and style were highly regarded and most Executive Directors came away feeling it was time well-spent for them and for their board members.

Several interviewees whose organizations completed the initial board training and mini-board development project then approached NSP for a TAG to work on more complex board development issues. In both cases, the introduction to board development provided the impetus to tackle additional issues and the results were equally beneficial.

Consultants reported that "Hartford boards are better educated and prepared than boards in other regions." They also noted that it's very helpful that consultants are also invited to the board workshop "to hear what boards are hearing." Consultants who then work individually with organizations on a board development project can reinforce workshop learning.

Suggestions for improvements to NSP's board development were minimal and focused on time and more training, as follows:

Time – Several executive directors expressed mild frustration that if they wanted new board members to participate in the Chuck Loring seminar, they too had to participate – again and again. Although they understand the value of team building as part of the experience, "it gets old hearing the same information over and over again." On the other hand, consultants believed it was important for Executive Directors to be there each and every time because "it's about the engagement/conversation with board members, not individual Executive Director learning."

Other Executive Directors suggested it would be helpful if NSP could also offer the sessions in the evening for board members who work; perhaps more sessions, each shorter in length. These interviewees noted that "board members who raise money for us are the ones who need to come but they work during the day; the people who don't work aren't always the people we need to be there." This suggestion was echoed by consultants.

More training – "Level 10 of board development would be great. They're not providing services for the experienced people. We need coaching and higher level help." A couple of respondents expressed an interest in building on their board development mini-projects and were pleasantly surprised to learn they could approach NSP for a more substantial board development TAG.

PROGRAM EVALUATION

As a result of the 2005 LaFrance evaluation, NSP added a Program Evaluation series to its menu of capacity building programs. The model brings together a cohort of organizations to work with a consultant (Anita Baker) to learn about, develop and implement an evaluation program within their organizations. Most respondents spoke highly of this experience and a couple are now engaged in a second phase effort with the facilitator. Participants appreciated the thoughtful design of the program, noting that "taking one program from beginning to end" was most helpful. Additionally, utilization of a team approach for each participating organization helped to create a culture of evaluation within each organization. Most participants felt the program included a healthy blend of classroom-type learning, hands-on work, and individual trouble-shooting/coaching from beginning to end. A couple of interviewees commented that "the model was excellent and possible to replicate in other areas of our organization." Another noted that "I felt like we got a lot of guidance around implementation; Anita was always available if you asked for help." One interviewee who found the process a bit too long and too detailed commented that "the instruments are very useful and I use them all the time."

The only challenge surfaced as part of TDC's assessment centered on the absence of funding to develop the internal capacity needed to institutionalize program evaluation.

Offered one interviewee,

> *"None of my funders want to pay for evaluation, but they all want it. We just couldn't keep up the momentum with existing staff without more resources."*

Another asked if NSP might consider playing an advocacy role with state funders about the importance of building the cost of evaluation into their grants. This challenge is not unique to the Hartford area. For the most part, funders' (public and private) growing interest in measuring outcomes exceeds their investment in developing and sustaining an organization's program evaluation infrastructure.

WORKSHOPS

NSP was lauded for offering workshops that are generally viewed to be "timely responses to the issues of the day." The caliber of presenters was reported as excellent and the opportunity to hear from national leaders was viewed as a plus. "I hope they'll always look ahead and keep their headlights, and ours, on the future," commented one Executive Director. And another said, "The presenters who came in from all over the country were absolute experts."

Several more seasoned respondents noted they used to attend virtually all of NSP's workshops, but now are more selective as some of the topics and sessions are too basic or seem repetitive. These individuals suggested NSP might think about designating its workshops as appropriate for beginner, intermediate or advanced audiences. There was significant interest in workshops targeted to more advanced audiences. This preference is not surprising given the fact that interviewees were all Executive Directors of organizations that make frequent use of NSP resources.

OTHER NSP PROGRAMS

Only a few interviewees in TDC's grantee sample had taken part in NSP's Executive Transitions and Human Resources programs.

- ◼ *Executive Transitions* -Two organizations took advantage of the Executive Transitions program and expressed high satisfaction with the experience. A couple of consultants and a couple of Executive Directors also suggested a slight twist on the current program, perhaps convening a small group of Executive Directors who are thinking about their own transition to get started. One Executive Director suggested that a group experience "might help to move people forward instead of just talking about doing it."

- ◼ *Human Resources-* A small number of grantees with whom TDC spoke had taken advantage of NSP's Human Resources offering. Those that participated found the HR audit to be very useful. Benefits cited included "helping to identify policies in need of revision and completing that work … developing a salary structure." Participants commented on a healthy level of give-and-take with their consultant and a mix of elements they could tackle themselves and those with which they needed assistance.

The Foundation's program staff described NSP workshops as

"quality, thoughtful, impeccable, consistent, and reliable,"

noting that NSP has stayed on the cutting edge and remained progressive, which is valued and will be important to continue.

TDC believes this is a valuable resource for organizations that find themselves contemplating or being faced with such transitions. Since there is no way to predict the demand for this resource, when the need is there, NSP must have the flexibility to respond.

Offered one executive director:

"It was more effective than we expected ... the interim executive director did a remarkable job … helped get us back on track, on a new path."

What was the cumulative impact of NSP capacity building resources on participating organizations?

Using the working hypothesis for this assessment as a framework: over time, organizations taking advantage of multiple NSP resources build their organization's capacity in significant ways, TDC asked each executive director if their organization: 1) has become a better consumer of capacity building services over time; and 2) is more effective today as a result of multiple capacity building efforts. We also asked participants to share examples of their results with us.

We learned the working hypothesis that we had developed with NSP staff was essentially accurate: organizations that elect to take advantage of multiple NSP resources build their capacity in significant ways. A corollary learning was that NSP has a lesser impact when the intervention has been more limited. A few key lessons learned include:

READINESS MATTERS

Executive directors and consultants in Hartford, along with peer providers, agree that successful capacity building requires an organization's key leadership, both staff and board, be invested in the value of strengthening the organization in the selected area(s).

CORRECT "DIAGNOSIS" MATTERS

Organizations that completed organizational assessments frequently mentioned that the process proved to have greater value than anticipated. A key benefit included the identification and selection of a realistic number of priorities to be addressed, as well where to start and how to move forward.

RELATIONSHIPS MATTER

With NSP

Feedback suggests strongly that without an intimate working relationship with NSP, organizations sometimes select inappropriate programs, choose programs in the wrong order, or overlook relevant programs. In general, those organizations that developed trusted relationships and open, frequent, communication with NSP staff were also least likely to report challenges or missteps in any of their NSP projects.

The ability to better access NSP resources and the effects of multiple capacity building efforts are reflected in the following comments by grantees:

Relationships matter with consultants, too:

Not surprisingly, TDC also heard that organizations that developed strong working relationships with their consultant(s) tended to have greater success in achieving the desired organizational impact.

Two grantees noted their organizations had received a Bank of America Neighborhood Builder Award. Both made a direct correlation between winning this award and key investments from the Foundation, enabling them to strengthen their organizations and position them to compete for this prestigious award. These organizations identified several specific NSP resources that helped pave the way including strategic technology, program evaluation and a human resources mini grant (which opened the door to a 3-year capacity building grant from the Foundation).

> *"I'm not afraid to ask for support. I've learned what is available and now come in with a different perspective. I want to leverage what we can – the organization is better for that."*
>
> *"Initially I just jumped at whatever came up. Now I've learned how to best use NSP resources. If I didn't have this resource I'd be a less effective Executive Director."*
>
> *"Putting it all together has increased our organizational effectiveness and my professional effectiveness."*

> *"If it wasn't for the support we get from the entire Foundation, we would not have won the Bank of America award. They (the Foundation) believed in us and invested in us from the start."*
>
> *"The Bank of America award had a tremendous impact on us. That (longer term) view of capacity building is not the norm. We got to choose how we spent $100K per year for 2 years, with unrestricted dollars. We used it in a variety of ways - to bring on a CFO, expand our space, and invest in order to get to the next level."*

In the following section, we put this assessment of NSP's programs into a broader context, by looking at the components of effective capacity building.

What are the components of effective capacity building?

TDC's research looked at articulating the components of effective capacity building, both with stakeholders in Hartford, as well as in its review of current literature and practices in the larger capacity building arena. Our research highlighted that there is not a single agreed upon definition of "best practice" in the capacity building arena, and that clarification regarding how best to build capacity and measure progress in this complex field is still a work in progress. Below, we summarize what we learned.

A.   One size does not fit all

An overarching finding from TDC's conversations and literature review is that one size does not fit all. The structure of nonprofit capacity building programs varies considerably. Programs are run by foundations, separate nonprofit service organizations, government entities and research-focused organizations, among others (Backer 2004). Types of capacity-building activity also vary. Programs may focus on assessment, interventions targeted at organizational skill-building, straightforward financial support or a combination of these (DeVita 2001).

For foundation providers, programs reflect grant makers' larger priorities and grant making goals. Among other issues, programs vary in the extent to which they emphasize breadth (being widely available to a large number of non-profit organizations) versus depth (being targeted to a few organizations.)   As in Hartford, the Hawaii Community Foundation offers a range of capacity building programs which are broadly available to non-profit organizations in their target region. In contrast, the Haas Jr. Foundation notes, "our Trustees tell us to focus, focus, focus; our investments in organizational leadership are in service of the grantees chosen by our program officers, and are key in advancing our goals." The Meyer Foundation provides capacity building support only to organizations which receive program or operating grants. The Boston Foundation's technical assistance program is still evolving in its approach as the overall Foundation shifts to a model of supporting fewer organizations in priority areas through multi-year operating support. For these organizations, the technical assistance program represents a "piling on" of resources. Some technical assistance is still available from the Boston Foundation for organizations which are not receiving operating support, although this is not widely publicized. The Hawaii Community Foundation has just begun to experiment with a deeper level of support for some key intermediary organizations in priority areas, providing multi-year "negotiated operating support" to these intermediaries.

Capacity building programs also vary in the breadth of their scope. In addition to assessments and various types of financial support, they may offer any or all of the following "organizational skill-building" services: management advice, strategic planning, financial planning and management, performance measurement, facilitated collaborations, networking, board development, information technology, communications, marketing, human resources, legal support and staff training (Buteau 2008, DeVita 2001).   The community foundations in Boston and

Hawaii, along with the Meyer Foundation, address a broad range of non-profit support issues, similar to NSP's approach. In contrast, the Bruner Foundation focuses exclusively on evaluation and the Haas Jr. Foundation focuses exclusively on leadership development, although the definition of leadership development is expansive.

B. Capacity building is an ongoing, holistic task

Throughout the literature and in TDC's interviews, there is clear consensus that true capacity-building takes place over a long, and potentially indefinite, period of time (Backer 2006, 2010; Connolly 2001, 2007; Doherty 2003; McKinsey 2001; Blair 2002; Wing 2004;). Moreover, organizational improvement has long been considered a multi-faceted process (DeVita 2001, McKinsey 2001). The Meyer Foundation noted, "it is typical that we would work with group over a period of five to ten years, and provide three to four grants for things that are related to each other. Over time, we become a guide to organizations." The Haas Jr. Foundation has also found the impact of its leadership development work takes time; they have now seen eight Executive Director transitions and have been pleased to note that each of these organizations has weathered the transition well because of the solid base that was built over time.

Recent research at the Center for Effective Philanthropy has concluded that providing just two or three types of assistance to grantees is ineffective; grantees reported instead that comprehensive and/ or field focused assistance actually makes an impact on capacity (Buteau 2008). These factors imply a need for sustained effort on the part of the organization. To undertake this sustained effort, organizations require a reliable source of support to prevent the all-too-common scenario wherein a lack of resources to support infrastructure and managerial improvement limits capacity building to piecemeal, short-term efforts that produce little fundamental improvement (DeVita 2001). By committing to providing both a reliable resource for support and a broad scope of services to organizations in the community, NSP's approach is consistent with current thinking in the field. Underscoring this point is the fact that many of TDC's grantee interviewees expressed the belief that NSP is their only meaningful resource for capacity building – without it, the work would simply not get done.

C.   Leadership buy-in and participation is critical

NSP's program design reflects a belief that absent the commitment of the Executive Director, it is difficult to build organizational change. This belief was reinforced in TDC's research. One of the five key conditions for effective capacity building cited in the field assessment work done at the Human Interaction Research Institute was "buy-in to capacity-building by nonprofit boards and CEOs" in order to ensure that capacity building needs are not overshadowed by competing priorities (Backer 2010). An earlier study touched on this point as well, calling out organizational "readiness" as a necessary condition for effective capacity building (DeVita 2001). Interviewees echoed this finding, commenting:

> *"It is almost impossible to do good quality work if the Executive Director isn't on board."*

> *"To access our services, the organization's leadership has to have enough insight to recognize that they need help."*

Like NSP, most of the programs interviewed by TDC require the Executive Director to be actively engaged in and supportive of the request for technical assistance. An interesting contrast is offered by the Haas Jr. Foundation. The Haas Jr. Foundation has narrowed the list of organizations which receive program/operating support based on its grant making priorities, but requires many organizations that receive this support to participate in its leadership development program. In some cases, "the readiness (of the Executive Director) is not there right away… sometimes we may need to hang in there." Interestingly, in Haas' experience, some of those who are "really resistant can become the biggest converts" over time.

D. Evolving ideas about the firewall

In TDC's conversations with peer capacity building programs across the country, we heard evolving thinking about the concept of a "firewall" between information learned by capacity building program staff and other grant making staff in a foundation. Some of the organizations which once had a firewall in place have moved away from this, with some interviewees pointing out that the "firewall" can lead to a siloed organizational culture. At both the Hawaii Community Foundation and the Meyer Foundation, there has been a movement toward program officers working more closely with the staff of capacity building programs; this shift has been viewed as quite positive. One interviewee noted, "My issue with the firewall is that if you exclude from the conversation the person who knows the organization the best, you dramatically decrease the Foundation's ability to make an effective grant….in addition, my fiduciary obligation to help the Foundation be a good steward of funds trumps my obligation to hold information in confidence."

NSP asked TDC to explore grantees' perceptions about information-sharing among NSP and program staff within the Foundation. Only a couple of executive directors believed there should be a "firewall" between NSP and program staff, but even then, respondents believe the Foundation's fiduciary responsibility to the community must be respected and upheld. The majority of interviewees either didn't know or didn't care if the Foundation had a formal firewall in place. One member of the Foundation program staff described internal information sharing to be "not about *not* sharing, it's about not having one side impede the other." Other program staff echoed this sentiment that NSP staff and program officers work closely together in the best interest of each grantee.

Some NSP consultants offered a slightly different point of view on this topic, noting that the firewall between NSP and program staff can be "very beneficial for consultants because organizations can safely tell all and have confidence it won't be shared." At the same time, there was agreement among consultants that they wouldn't want the Foundation "to invest heavily in organizations that NSP knows are a mess, or to do so without good reason and a plan."

In TDC's estimation, this is an issue that NSP should continue to explore in the months to come.

A sample of comments from executive directors included:

"I'm not concerned, I don't even care; I like things to be transparent."

"I hope everything is shared. I have no worries about that. I don't think Foundation staff think or act in silos."

"I assume that nothing is ever confidential, but I trust NSP."

"I hope they talk to each other. If the goal is to strengthen this community I don't want the Foundation funding agencies that aren't strong."

"If you're in a relationship with a funder, you're in a relationship. Some areas may be carved out for confidentiality, but it should be teamwork."

"The Foundation has invested in us, and they don't want us to go down. Our work with NSP should make us look like we are working [to improve]."

E. The importance of the funder/grantee relationship

In their 1999 Harvard Business Review article on the changing role of philanthropy, well-known management scholars Porter and Kramer argued that foundations can increase their social impact by partnering closely with grantees to create more effective organizations. As this mindset has proliferated, so too has the attention paid to the idea of high-engagement philanthropy, an approach in which the funder-grantee relationship is modeled on the high-touch partnerships formed between venture capitalists and their portfolio companies. Because NSP focuses on providing just the technical assistance half of this equation (and not the capital piece) the venture philanthropy model does not correlate directly. A key underlying contention is identical, however: funders can stimulate organizational effectiveness improvements by partnering with their grantees to deliver comprehensive technical assistance that meets each organization's individual needs.

This concept leads us to ask how the traditional relationship between funders and grantees might be adjusted in order for the dollars invested in capacity building to effectively drive organizational improvement. As noted above, researchers and practitioners have long concluded that one-size-fits-all approaches are not effective; capacity-building must be customized to individual grantee characteristics, such as life-cycle stage, size, mission area, executive director tenure/experience and other critical factors (Backer 2010; Connolly 2001; DeVita 2001; Millesen 2007). Given the need for customization, other research stresses the need for true partnership between funder and grantee. The Effective Communities Project reports that the multi-funder Organizational Capacity Grants Initiative concluded that efficacy requires a genuine partnership characterized by sharing information, experience and reflections; focus groups conducted by ECP with dozens of nonprofits stressed the need for respect, alliance, and openness between funder and capacity-building grantee (Doherty 2003).

Most recently, Backer's 2010 study, which is the largest and most comprehensive data-driven study of capacity building programs to date, emphasizes the importance of tracking grantee needs closely, structuring ongoing feedback, and developing a responsive approach to managing capacity-building. A common observation among the 87 funders that were interviewed for the study was that this approach brings together grantees' creative thinking and on-the-ground knowledge of challenges with funders' breadth of experience and imitate understanding of available resources in order to produce the best results and most effective use of funds (Backer 2010).

In TDC's opinion, a "relationship management" model of technical assistance can be highly effective. This model has the advantage of matching the long-term timeframe of capacity building with a consistent, long-term support relationship within a Foundation. Relationship management can protect funders' investment by helping organizations navigate the complex technical assistance marketplace and by actively partnering with organizations to diagnose and address their most pressing needs.

However, a truly high-touch model is expensive and tends to result in the provision of fewer grants. The previously referenced CEP study found that program officers who provide capacity building alongside regular grants manage fewer, larger grants while stressing the need to fully

understand their grantees' needs before embarking upon capacity-building assistance (Buteau 2008). Clearly, one part of the answer to the relationship question stems from the funder's choice of who to serve and how much to spend doing so. In the case of NSP, the program is designed to support the Greater Hartford nonprofit community in general; serving more organizations well is favored over serving a few perfectly. The best relationship structure for NSP and its grantees is one which allows the inclusive model of grantee selection to have the most impact; this requires striking a balance between customization and partnership (necessary for effectiveness) and access (necessary for NSP's mission).

TDC's interviews with grantees clearly indicated that the services NSP offers are, with the obvious exception of some workshops, effectively tailored to individual organizations' needs. Grants typically involve customized planning with an outside expert, and trainings and peer learning circles are structured to allow participants to engage with subject matter through the lens of their own organizations. The program as a whole, however, may not be as effectively tailored as the individual services.

Grantees' relatively few suggestions for improvement or areas of dissatisfaction appear to be traceable to the arms-length relationship NSP often, but not always, establishes with its grantees. Without an intimate working relationship with NSP or a required comprehensive assessment, organizations sometime select inappropriate programs, choose programs in the wrong order, or overlook relevant programs. In general, TDC observed that those organizations that did develop trusted relationships and open, frequent communication with NSP staff were the least likely to report challenges or missteps. A closer relationship between NSP and its grantees might improve the program in other ways, such as improving its ability to respond to emerging sector-wide needs in a timely fashion, growing its ability to assess and document its impact, and strengthening its ability to customize program requirements on a case-by-case basis.

One way to test the efficacy of a more relationship-driven approach could be to conduct a small pilot program, ultimately comparing results with the main/traditional NSP program to determine whether the additional investment was justified by improved outcomes. The structure of such a pilot, developed to build trust and a strong working relationship between NSP and the organization, might include the following components:

- An initial meeting between NSP and the organization to map out a game plan

- An upfront assessment of the organization's needs

- Identification of NSP resources that could help the organization achieve its goals and a recommended sequencing of this work

- Establishment of goals for each NSP grant/project, developed in concert with the organization's selected consultant and shared with NSP

- Opportunities for dialogue between NSP and the organization to track and review progress, become thinking partners, etc.

Improved needs assessment may be another way to balance limited resources to promote and sustain intimate relationships against grantees' needs for expertise to help coordinate and prioritize their capacity building efforts. McKinsey's 2001 study found that an integrated approach to assessment led to better outcomes. Similarly, Backer's recent work indicates that comprehensive needs assessment that includes mechanisms for prioritization is an essential underpinning to successful capacity building, particularly because self-diagnosis does not always identify the same priorities and needs that a thoughtful, thorough assessment would (Backer 2010). Connolly cautions that assessments may be of limited use as part of a funding application, as organizations want to depict themselves favorably to secure the grant. Instead, they may be best used after the funder has committed to providing support (Connolly 2007). To implement comprehensive assessment, some funders use third-party tools, such as TCC group's core capacity assessment tool, while others fund consultants or develop their own methods.

F. What are the issues on the horizon?

NSP asked TDC to identify and explore emerging challenges for its work.

A CHANGING AND CHALLENGING ENVIRONMENT

Not surprisingly, TDC heard from sources in Hartford as well as across the country that the operating environment for non-profits is extraordinarily challenging right now, and that capacity building is needed more than ever. In Hartford, as in most regions, the resources to devote to capacity building are hard to come by, even for the larger budget organizations.

NSP's consultants told us that the non-profits they work within the Hartford region:

> *"are working harder to maintain best practices and hold their ground…they are digging deeper into the trenches…they are forgetting or have no time to look at how best to do things differently."*

> *"want to change and be smarter in this environment, but they don't know how."*

> *"are more interested in considering new ways of doing things, such as venture philanthropy and earned revenue, but we all need a lot more information about this."*

> *"need to learn how to function well in transition, which is now constant."*

As in Hartford, peer capacity building providers have experienced shifts in grantee demand, in the context of the recent economic decline. In Hawaii, there has been some increased interest in their fund for strategic restructuring. In Boston, there has been increased demand for strategic planning, with an emphasis on "rethinking strategy in the context of changing times."

A NEW GENERATION OF LEADERS

As NSP is aware, there is increasing interest in the field in the area of emerging leaders, both in Hartford as well as nationally. The Hawaii Community Foundation has recently crafted a new Hawaii Emerging Leaders Program (HELP), described as "a dynamic seven-month, peer-centered professional learning experience. Participants deepen their understanding of their leadership capacity, advance their understanding and practice of leading in the non-profit sector, and strengthen their network of non-profit colleagues." Staff report they have been "amazed at the response to the program" which has been "far more than for our Executive Directors program."

NSP's consultants also self-identified that the pool of consultants is getting older, and is not as diverse as it needs to be.   Foundation program staff also noted the lack of diversity in the current consultant pool.

SERVICE TO SMALLER AND/OR LARGER BUDGET ORGANIZATIONS

NSP's programs have identified budget parameters that guide eligibility. One of the questions that NSP staff asked TDC to explore was whether or how it might expand its services to include, on the one hand, small grass-roots organizations, and on the other, organizations with larger budgets.

With regard to small organizations, a 2007 study of capacity building programs in the Pittsburgh area suggested that organization size affects the type of capacity building services organizations can use effectively. Smaller organizations need a partner to help them develop basic management skills and familiarity with best practices (Millesen 2007). In line with this finding, TDC learned from its interviews that **coaching can be an effective approach, especially for small organizations.** The Haas Jr., Meyer and the Hawaii Community Foundations have all found that coaching can provide an effective and relatively low cost approach, especially for smaller and more grass roots organizations. None of these entities provide the coaching themselves, but rather deliver it through either an intermediary organization and/or through consultants. Coaching is seen to be a powerful tool because:

- Leaders in small organizations are very isolated in their role, and coaching provides a confidential sounding board.

- Coaching provides very helpful performance feedback, which many of these leaders might not otherwise get.

- Coaching provides ongoing and practical feedback and guidance in a cost effective way which recognizes the time constraints that these leaders face.

Should NSP and the Foundation determine that some small grass roots organizations are a priority, coaching may be worth further exploration. There is an emerging body of research on this topic and some of TDC's interviewees would be pleased to serve as a further resource.

Both the larger organizations interviewed by TDC, as well as NSP's consultants, suggested that **large non-profits in greater Hartford have significant capacity issues**. The issues mentioned included:

- cutbacks in infrastructure because of overall funding cuts

- loss of IT staff, databases not being kept up

- the need for up to date market research and strategic business planning, combined with the inability to pay for outside support for these tasks

Some TAG consultants pointed out that these larger non-profits have the capacity to drive significant positive change for the community, and may be worthy of NSP support, especially given their budget challenges. Some of the larger organizations interviewed noted that they would be willing to provide a match, were NSP to reconsider their eligibility.

Peer capacity-building programs have varying perspectives on whether and when to require a match from the grantee toward the cost of a technical assistance project. Some believe that a match is important, as evidence of "skin in the game;" others do not adhere to this philosophy and worry that in some cases the requirement of a match may prevent a project from being undertaken. This is an issue that NSP may choose to revisit, particularly in the context of larger organizations and/or larger TAG project budgets.

ADDITIONAL IDEAS

Peer capacity building programs identified a few additional areas they have been exploring. These include:

- *Strategic communications* – The Haas Jr. Foundation has been doing more of this work which they believe is often critically important for advocacy groups.

- *Fundraising* – The Meyer Foundation has been exploring the Benevon fundraising model with some of its grantees (http://www.benevon.com). They believe "if it is done right, it has the potential to be really effective."

- *Strategic business planning* - Some peer programs mentioned the shift from a focus on strategic planning to strategic business planning, with an increased emphasis on financial management and how to adequately capitalize an organization.

- **Measuring impact is important, but remains a work in progress**

For a number of reasons, demonstrating that capacity building programs have managed to spur organizational improvements that lead to more effective nonprofits is a challenge. One peer capacity building provider noted, "I wish we had more time and a good way to do this." LaFrance's summary of the literature from the last evaluation suggests this task is difficult because organizational improvement is abstract and hard to quantify; funder and grantee improvement goals are often vague; and the positive impact of capacity-building may not become evident until the active period of the intervention and its evaluation are many years in the past. Taking these challenges into consideration, LaFrance synthesized the recommendations in the literature: funders and grantees should have clear, aligned goals; results should be shared; evaluations should focus on straightforward measures (such as outputs and grantee satisfaction) alongside more complex efforts to measure effectiveness improvements; impact should be measured over a reasonable (lengthy) timeframe; and logic models should help guide evaluations.

We must acknowledge that the truly meaningful changes in organizational culture and program quality do not lend themselves to straightforward measurement. As one peer provider noted, "it is extremely hard to show impact when you are funding a diversity of organizations for a diversity of project types. We can ask organizations, do you think this was helpful? We can't, for example, say we moved the education field."

However, throughout our grantee interviews, TDC repeatedly heard that Hartford-area nonprofits feel strongly that they are fortunate to have access to the range and quality of programs that NSP provides. As the largest provider of these services in its local area, NSP has a unique opportunity to structure, facilitate, and assess a capacity-building program for the nonprofit sector in an entire region. By closely tracking the effects of its capacity-building services on its grantees throughout – and even following – their engagement with NSP, the program can demonstrate its impact and build on its own, and the field's, growing knowledge of what works in capacity building.

In addition, a record of positive, third-party verified capacity-building results may benefit grantees that are operating in an environment that increasingly demands accountability and results measurement, both by improving learning and by legitimizing capacity building activities(Backer 2006, 2010; Light 2000). Unfortunately, however, genuine consensus on the most effective (and cost-effective) means to measure impact has yet to emerge from the literature, though a number of consulting organizations and other technical assistance providers have developed methodologies for doing so.

Some of those we interviewed are moving toward an approach of allowing project grantees to define their own specific measures of success in advance of a project (often in tandem with their project consultant.) These grantees then report on their degree of success in achieving these benchmarks at regular intervals after the project has been completed (for example, at the six, twelve and eighteen month mark.) An example of a sample project dashboard provided by the Hawaii Community Foundation is included in the appendix.

Recommendations

NSP has had a **consistent, significant and positive influence on the capacity building of the region's non-profits;** this was highlighted in the LaFrance evaluation in 2005, and TDC's evaluation reaffirmed this. Now, the question is, **how to take NSP to the next level,** in the context of the work that the program has been doing all along as well as in the context of helping to support the priorities that are emerging from the Foundation's strategic review.

In TDC's opinion, **NSP can keep delivering its current complement of programs and continue to make a significant and positive difference in the organizational capacity of the region's nonprofits.** We also believe that at this stage in NSP's evolution, as a mature and leading provider of organizational capacity building programs, there is an opportunity to think about how the program might do its work differently. NSP has provided services in a value neutral way within budget and geographic parameters – are there priority values which would guide a focused application of resources?

The **Foundation's current planning process will help guide and shape NSP's role going forward,** however in the interim TDC believes there are several opportunities NSP might explore in the next several years, as detailed below.

A.   NSP Programs, Learning Components and Operations

ORGANIZATIONAL ASSESSMENTS

■ TDC's interviews with grantees, consultants and program officers revealed two major reasons for the underutilization of this resource: confusion and reluctance. Many of the organizations which did undertake an organizational assessment came to appreciate the value of this exercise as a starting point for organizational capacity building.

Suggestions for NSP to consider that emerged from TDC's conversations include:

■ **Promote increased use of the organizational assessment.** Rebrand the organizational assessment with a more positive connotation.

■ **Explore and refine the best way to undertake organizational assessment,** including exploring whether to encourage this assessment be undertaken at key points in an organization's life cycle (e.g. executive turnover, senior staff turnover, major funding/financial issues, etc.), how the approach to assessments might vary based on an organization's size, and the most effective blend of written tools and in-person discovery.

TECHNICAL ASSISTANCE GRANTS (TAGS)

TAGs were praised as one of the most flexible and useful components of the NSP tool box, and organizations greatly appreciate the ability to receive consultant and implementation support tailored precisely to their needs. TDC recommends that NSP:

- **Continue to offer TAGs in a** flexible and responsive manner, as these represent one of NSP's most adaptive tools.

- **Consider using TAGs** to enable organizations to plan for multiple capacity areas based on the results of a recent strategic plan (similar to the Foundation's Multi-Service Agency Initiative)

- **Take a fresh look at the budget parameters for TAGs and determine whether these are still appropriate given the complexity of the issues facing non-profits.** In particular, it may make sense to reconsider the budget for strategic planning TAGs, and consider whether these might need to be increased to incorporate the cost of more sophisticated strategic business planning processes. It may also make sense to reconsider whether a match requirement should be re-instituted for some of the more expensive projects.

- **Consider re-branding TAGs** to decrease the confusion between "technical assistance grants/TA" and strategic technology grants.

FINANCIAL MANAGEMENT

The opportunity to take on 'nuts-and-bolts' financial system work was viewed as very valuable by participant organizations; the significant time commitment required was perceived as worth the effort, and program consultants were deemed knowledgeable. Grantees also appreciate being able to pay for staff through this grant. Organizations that completed the program also expressed an interest in an opportunity to engage in a higher-level, more tailored financial management program.

In the coming year, TDC recommends that NSP:

- **Conduct an assessment of the financial management program** to explore what else might be added to complement the solid program elements already in place, either for first-round participants or to expand to include a second-round experience. Conversations with former and current participants, consultants, and perhaps other similar programs can inform the approach and content of the program going forward.

STRATEGIC TECHNOLOGY

NSP's strategic technology program format works well, NSP's technology consultants received high grades, and the required time investment was viewed as worthwhile. Organizations and consultants noted that the technology arena is continually evolving and they are deeply appreciative of the opportunity NSP affords them to continue to learn about and implement new technology applications. Given this evolution, TDC recommends that in the coming year, NSP:

■ **Convene the technology program consultants** to explore how to ensure that the program's structure and guidelines keep pace with recent and ongoing developments in the field.

OTHER NSP LEARNING OPPORTUNITIES

NSP's *Executive Management Institute and its Leader Circles* were both praised as being extremely helpful to participants. Grantees and consultants expressed a need to build the leadership capacity of organizations by engaging next-generation senior or mid-level staff. TDC is aware that **NSP is currently working on the development of some new programming for emerging leaders and we encourage this effort**.

CONSULTANTS AS NSP PARTNERS

A number of consultants who frequently work with NSP grantees do not have an in-depth knowledge of NSP resources and eligibility guidelines. At the same time, they expressed a willingness to serve as NSP ambassadors. Consultants also expressed an interest in providing more feedback to NSP about their engagements, believing it could help some organizations to build their capacity in a more strategic manner.

Looking to the future, TDC recommends that NSP **enhance its already solid working relationship with consultants**.

■ Continue to build consultants' capacity to serve as NSP's ambassadors, as well as to deliver a broader and more sophisticated complement of services.

■ Continue to have ongoing dialogue with consultants on how NSP can continue to support them in building their skills to serve the evolving needs of the region's non-profits.

CONSIDER EXPANDING ELIGIBILITY

NSP is an extremely valuable and unique resource in the region, and some observers suggested that it might be helpful to expand the program's reach. TDC recommends that **NSP pilot and explore ways to make its resources more broadly available to smaller and/or larger organizations, particularly if these organizations are a priority to the Foundation.**

B. Broader Areas for Consideration

MEASURING NSP'S IMPACT

Demonstrating that capacity building programs have managed to spur organizational improvements that lead to more effective nonprofits is a challenge widely acknowledged in the literature. Truly meaningful changes in organizational culture and program quality do not lend themselves to quick and straightforward measurement. As the largest provider of these services in greater Hartford, NSP has a unique opportunity to track the effects of its capacity-building services on its grantees. By doing so, the program can demonstrate its impact, building on its own and the field's growing knowledge of what works in capacity building.

As part of the 2005 LaFrance Associates evaluation, a theory of change was developed for NSP, with accompanying logic models for specific NSP programs. The overarching model for NSP focuses on using NSP's myriad resources to bring about organizational improvement, ultimately leading to more effective nonprofits, which is the realization of NSP's vision: a community of sustainable and adaptive nonprofit organizations that address the needs in Greater Hartford. This theory of change and how NSP approaches capacity building continues to resonate with stakeholders in 2010.

Building on this model, LaFrance also developed logic models for specific NSP programs and developed a data collection system to track outcomes. For four years, LaFrance selected one NSP program per year and conducted annual surveys with that program's grantees, asking about project outcomes and satisfaction, and reporting results to NSP. Due to the limited number of grantees in any one area, and the nature of the survey questions, which are primarily output-oriented, the results do not lend themselves to drawing conclusions about a program's impact over time, nor do they allow a more nuanced understanding of how organizational life-cycle issues (i.e. funding shifts, executive turnover, shifts in the marketplace) and other capacity-building projects contribute to an organization's longer term and most meaningful outcomes. Additionally, the time and effort required to gather and analyze this data created a resource challenge for NSP as it sought to bring the system in-house in 2009. Without adding new staff with evaluation expertise, which was not an option, the value of devoting current staff time to this effort and leaving other work undone was not perceived to be a realistic alternative.

Understanding that "one size does not fit all" when it comes to delivering or measuring capacity building, the Hawaii Community Foundation has moved to the use of dashboard indicators (an example from LaPiana Associates that was developed for that Foundation is included as Appendix C) as an outcomes measurement tool. The dashboard, which is tied to an individual organization's strategy, goals and mission, establishes a set of critical measures of organizational performance and effectiveness to track accomplishments and outcomes over time. TDC believes this type of tool might be useful as one component of an overall, longer term NSP outcomes measurement strategy. In fact, at least one grantee reported developing a dashboard as part of their organization's strategic planning process.

While it is important for NSP to track and report program outputs, as the LaFrance report noted, "Given that it takes time for the change associated with capacity-building work to take root in an organization, a retrospective study of organizations that have received a TAG only as well as those that have received a TAG and have participated in a workshop series could yield meaningful and interesting results on the long-term impacts of these NSP services." In fact, TDC's current assessment process reflects this approach. We propose that NSP build on this concept and consider tracking a small cohort of grantee organizations over time through qualitative interviews, watching and learning about how NSP's investment in long term capacity building plays out through the inevitable opportunities and challenges that are part of an organization's lifecycle. The insights gained from longer-term observations of organizational capacity building can inform NSP's approach and content, as well as contribute lessons learned to the literature and practice of nonprofit capacity building.

TDC further concurs with the LaFrance assessment that by all accounts, the Financial Management and Strategic Technology programs work well and have concrete, easily reportable outputs. The full impact of these programs, which are integrated into an organization's operations, will also become more evident over time. Although it make sense to periodically step back and take a deeper look at each of these programs, a practice NSP has successfully employed in the past, current reporting practices appear to be sufficient.

In sum, TDC recommends that NSP s**pend some time in the future rethinking its current approach to outcomes measurement.** Over the coming year, NSP should refine its data collection and reporting system so that it is tied to priorities and outcomes as identified by participating organizations, is not unduly burdensome for grantees, and enhances both organizational and NSP learning. When the Foundation has completed its strategic review process, NSP should also ensure that its approach to outcomes measurement is aligned with the Foundation's priorities and its thinking about outcomes measurement.

CONCENTRATING RESOURCES AND RELATIONSHIPS

The NSP program is currently designed to support the Greater Hartford nonprofit community in general, electing to serve more organizations well over serving a few perfectly. To date, NSP has worked hard to strike a balance between customization and partnership (necessary for effectiveness) and access (necessary for the Foundation's and NSP's broad-ranging missions). It is the quintessential breadth versus depth trade-off; historically NSP has provided breadth, therefore the impacts of its efforts are necessarily more limited.

TDC recommends that in the next stage of its evolution, NSP explore and pilot how it might concentrate some of its resources and relationships to reflect and support the Foundation's priorities. The Foundation's strategic review should ultimately inform how this concentration of resources might be structured. Preliminary thinking about how NSP might approach this shift includes:

Explore piloting a deeper and more intentional relationship with some priority organizations. NSP currently offers organizations an opportunity to seek depth in the working relationship, but the extent to which the organization pursues this depth is ultimately driven by its Executive Director. TDC found support for our working hypothesis that organizations that elect to take advantage of multiple NSP resources build their capacity in significant ways. NSP might experiment with being more pro-active in building this type of relationship with organizations that reflect the Foundation's priorities. NSP's core belief in the importance of the Executive Director's commitment to this work should be reflected here as well – if a concentration of effort is to be pursued, it should be a priority to both the Foundation as well as to the Executive Director and Board leadership.

TDC envisions a few different possibilities for how NSP might pilot exploration of this deeper relationship:

- Explore pairing the deeper NSP relationship with a commitment to operating support, through the work of the Operating Support Committee.

- Deepen the NSP commitment for a select cohort of organizations that are identified as addressing a Foundation priority area through the strategic review process.

- Pilot a deeper relationship with a cohort of small, grass-roots groups that are identified as addressing a Foundation priority area through the strategic review process.

Ultimately, this approach is likely to require additional staff and/or consultant resources. NSP should use the coming year to explore how the pilot might be structured, and then clarify the resource implications of the emerging structure.

INFORMATION SHARING

Earlier in this report we shared feedback from grantees, consultants, Foundation staff and peer organizations regarding their experiences with and thoughts about the use of information "firewalls" among various partners in capacity building efforts. While everyone tends be in agreement that transparency should be encouraged, exactly what that means relative to specific circumstances remains a gray area. Should information-sharing rules apply to all foundation staff? To consultants? Are the rules different for different types of information or projects? Should there be formal disclosure agreements? In light of the evolving thinking on this issue both within and outside of the Foundation, TDC recommends that NSP promote discussion about appropriate information sharing among its various partners within the Foundation, and subsequently with its grantees and consultant pool. Finally, NSP should clarify and clearly communicate its policies on this issue.

CONCLUSION

As the Foundation has not yet completed its strategic review process, it is not yet clear what role NSP might play to assist the Foundation in addressing the strategic priorities that are about to emerge.. In the interim, NSP has an opportunity to position itself to do more and to begin to experiment with more targeted approaches to its work. Ultimately, the key question for NSP and for the Foundation is the depth vs. breadth trade-off. Based on TDC's conversations with internal stakeholders, it appears that the time is right to test the Foundation's appetite for a limited expansion of and/or a deepening of NSP's approach to capacity building.

APPENDICES

A.   Grantee Interview List

B.   Non-Grantee Interview List

C.   Dashboard Measures Sample

D.   Sources for Literature Review

E.   Interviewees & Protocols

     I.   Grantees

     II.   HFPG Program Staff

     III.   NSP Consultants

Appendix A: GRANTEE INTERVIEWS

Capital Area Substance Abuse Council, Inc.
Mirelle Freedman

Capital Workforce Partners
Tom Phillips

COMPASS Youth Collaborative
Bob Pawloski

Connecticut Historical Society
Kate Steinway

Co-opportunity, Inc.
Donna Taglianetti

Easter Seals Capital Region & Eastern Connecticut
Allen Gouse

Educational Resources for Children, Inc.
Claire Hall

Families in Crisis, Inc.
Susan Quinlan

Family Life Education, Inc.
Candida Flores

FAVOR, Inc.
Hal Gibber

FOCUS Alternative Learning Center
Donna Swanson

Gifts of Love, Inc.
Diana Goode

Greater Hartford Arts Council
Kate Bolduc

Harriet Beecher Stowe Center
Katherine Kane

Hartford Area Habitat for Humanity
Mike Brett

Hartford Community Loan Fund
Rex Fowler

Hartford Gay and Lesbian Health Collective
Linda Estabrook

Hartford Preservation Alliance
Laura Knott-Twine

Holcomb Farm Learning Center, Inc.
Jim Lofink

Knox Parks Foundation
Ron Pitz

Literacy Volunteers of Greater Hartford
Carol DeVido Hauss

Manchester Early Learning Center, Inc.
Laura Dunleavy

The Amistad Center for Art & Culture, Inc.
Olivia White

The Children's Museum
Kevin Sullivan

YWCA Hartford Region, Inc.
Deb Ullman

Appendix B: NON-GRANTEE INTERVIEWS

Hartford Foundation Staff

Linda Kelly, *President*

Vice Presidents

Chris Hall

Donna Jolly

Maria Mojica

Lori Rabb

Virgil Blondet

Program Staff

Deb Batitt

Cheryl Gerrish

Dawn Grant

Judy McBride

Sharon O'Meara

Pete Rosa

Sarah Sneed

***NSP* Staff**

Annemarie Riemer

Meher Schulman

Amy Studwell

Dick Cave

Betsy Johnson

Shirley Beyor

Best Practice/Peer Leaders

Beth Bruner, *Bruner Foundation*

Ron Cretaro, *CT Association of Nonprofits*

Andrea Martinez, *The Boston Foundation*

Pi'ikea Miller, *Hawaii Community Foundation*

Rick Moyers, *Meyer Foundation*

Gerri Spilka, *OMG*

Linda Wood, *HAAS Jr Foundation*

Consultants

Rita Berksen

Rebecca Bryan

Linda Campanella

Francine Christiansen

Susan Clemow

Judy Cowan

Jim Crum

Jeff Daniels

Kathy Frederick

Michelle Milczanowski

Michael Negron

Hez Norton

Feza Oktay

Janna Pedersen

Martey Rhine

Daniel Scharfman

Ann Thomas

Sandy Wood

Dashboard
Sample

Note: Dashboards display 8-10 preselected critical measures of organizational performance and effectiveness.
No two organizations are alike.
The information chosen to present on a dashboard should reflect strategy, goals and mission.

Key Indicator	Measure	2008 Goal	Actual
Governance	Increase participation of board members in the "give or get" policy.	100%	**75%**
Financial Health/ Performance	Days of cash on hand	90	**100**
Workplace/ Human Resources	Staff take personal time off: No staff are > 75% of their maximum PTO allotment.	0 / 15 staff > 75% max PTO	**7 / 15 staff**
Infrastructure/ Internal Operations	Computers run the same operating system and compatible software.	100%	**75%**
Fund Development	Diversify funding so that 25% is from corporations and individual donors.	25%	**6.9%**
Marketing/ Communications	% of visitors who take action on the website (e.g. sign up to receive email newsletters, become a member, or make a donation)	3%	**5%**
Mission/ Strategic Thinking	All new opportunities / potential programs are considered in terms of how well they help us advance our mission.	100%	**100%**
Quality	Participant satisfaction of program is excellent or very good.	85%	**88%**
Program Outcomes	Conduct external stakeholder interviews to evaluate program effectiveness.	35 interviews	**10 interviews**

Other Possible Indicators

Key Indicator	Measure
Governance	Future leadership has been identified (Q2) and success plan is in place for 2009 (Q4).
Financial Health/ Performance	Percentage variation to budget
	Days after month end for financial statement preparation
Workplace/Human Resources	Staff workload at reasonable level: No one (0 out of X staff) averages > 120% FTE over the past 3 mths (avg < 48 hrs per wk)
	Staff retention increases.
Infrastructure/ Internal Operations	Employee expense reports are submitted on time.
	Property Insurance claims are reduced.
	Regulatory/Licensing requirements are met with reduced number of corrections.
	Building maintenance costs are within budget.
Fund Development	Increase overall operating revenue by X%.
	Development Director / ED have identified and are cultivating a list of top prospects for major gifts.
Marketing/ Communications	Increase brand recognition and website consistency.
	Increase visibility through participation in conferences.
	Strengthen partnerships.
Mission/ Strategic Thinking	Dashboard is updated annually according to evolving org goals/strategies. (Q4)
Quality	Ensure staff are adequately trained to deliver programs through online training program.
Program Outcomes	Program intervention rate increases/decreases.

Appendix D: SOURCES FOR BEST PRACTICE LITERATURE REVIEW

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

Backer, Thomas E.; Bleeg, Jane Ellen; and Groves, Kathryn (2010). *Evaluating Foundation-Supported Capacity Building: Lessons Learned*. Encino, CA: Human Interaction Research Institute.

Blair, Jill; Irie, Ellen; Moore, Melinda (2002). *Building Effective Organizations: An Evaluation of the Organizational Capacity Grants Initiative*. Berkeley: BTW Consultants.

Buteau, Ellie et al. (2008). *More than Money: Making a Difference with Assistance Beyond the Grant*. The Center for Effective Philanthropy.

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McKinsey & Company (2001). *Effective Capacity Building in Nonprofit Organizations*. Prepared for Venture Philanthropy Partners.

Millesen, Judith & Bies L (2007). *Nonprofit Capacity Building: Who is Doing What for Whom and to What End?*, Journal for Nonprofit Management.

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Appendix E: INTERVIEW PROTOCOLS

I.   GRANTEE INTERVIEW PROTOCOL

Introduction

The Nonprofit Support Program at the Hartford Foundation has hired TDC to undertake a retrospective look at the impact of its work. These conversations are in confidence – we will aggregate our findings. Please feel free to be open.

We are interested in:

- Your feedback on each individual project that you've undertaken with NSP, including assessments, grants and workshops.

- Your thoughts about the combined value of this work.

The questions below are meant to give a high-level overview of how the conversation will be structured. Depending on the project or program at hand, some questions will be more relevant than others. Your candid feedback will help improve the program in the future, so please feel free to share whatever is on your mind.

Background and context

- Can you recall what assessments, grants or workshops your organization has undertaken? Do you remember how you first accessed an NSP program/grant?

Projects & Grants (Includes Financial Management, Strategic Technology, Board Leadership, Human Resources, Technical Assistance Grants and any other assessment or grant-supported project)

- How did your organization come to the decision to do the assessment or project? Please describe the assessment or project that you undertook.
- What role did each of the following stakeholders play?
    - Staff
    - Board
    - NSP staff
    - Outside consultant
- What were the primary short and long term outcomes achieved as a result of this project? Did you accomplish more, less or about as much organizational change as you anticipated?
- Looking back, what do you wish you had done differently in this effort, and why?
- Looking back, what do you feel was particularly effective in this effort, and why?
- How effective was the consultant support that you received in this effort?

Learning Opportunities

- Which learning opportunities have you, your staff and/or Board participated in?
  - Executive Management Institute
  - Board Leadership
  - Fundraising training
  - Human Resources
  - Advanced Leaders Circle
  - Building Evaluation Capacity
- Which ones stand out in your memory as particularly effective? Particularly ineffective?

Larger Context – Hartford Foundation

- Does your organization receive grants from the Hartford Foundation other than NSP support? If so, what type(s) of grants does your agency receive?
  - Regular grant making
  - Transitional operating support
  - Special initiative
  - Other?
- Are you ever concerned that information you provide to NSP could be shared with your Program Officer in a way that reduces your chance of receiving a grant from the Foundation?

Capacity-Building in General

- Reflecting on the aggregated impact of all of the work that you've undertaken with NSP's support, do the various components work together as an overall package that has helped to improve your organizational capacity?
- Are there components that stand out as either particularly effective or less effective within the overall whole?
- Would you say that your organization became a "better consumer" of capacity building as you "consumed" more over time? How so?

Looking to the Future

- Are NSP's services helpful and appropriate in the context of the current economic challenges facing the sector? Do you have thoughts about how NSP services can be most helpful given these challenges?
- Do you see additional organizational capacity issues on the horizon for your organization? If so, what are these issues, and how do you plan to address them?
- Are there capacity building issues that you see across the sector? Is there a role that NSP might play in addressing these sector wide issues?
- Recognizing that resources are limited, do you have recommendations for NSP about how to shape future capacity building efforts?

Appendix E: INTERVIEW PROTOCOLS

II.   HARTFORD FOUNDATION NSP STAFF FOCUS GROUP PROTOCOL

TDC is conducting an evaluation of the impact of NSP's work. As part of this effort, we want to provide HFPG program officers with an opportunity to share your perspective on the impact of NSP. We are interested in your perspective on the impact of specific grants, assessments and trainings, as well as the aggregated impact of the work. The evaluation methodology has included conversations with NSP and HFPG staff, interviews with a sample of organizations that have accessed NSP resources, best practice research, focus groups with NSP consultants and this focus group with you. We have a working hypothesis that greater use of NSP resources results in increased organizational impact, so the sample group of organizations has focused on those that have used a number of NSP resources.

1. How well does NSP's current portfolio of offerings address the capacity-building needs of non-profits in the region? What elements work particularly well? What elements might be improved or changed? How do the various components work together?

2. NSP is struck by how few organizations take advantage of the opportunity to have a free organizational assessment. Do you have thoughts about why this might be? If you think the assessments are a good thing, do you have suggestions about how NSP might encourage more organizations to take advantage of them?

3. In addition, it appears that there are some organizations which are frequent users of NSP and other organizations which rarely, if at all, tap into NSP. Do you have thoughts about why this might be?

4. What are the internal organizational factors that seem to be at play when capacity building is most effective? Are there common factors when capacity building is less effective? (i.e. commitment of key leaders; size of organization; changes in external environment)

5. How would you describe the working relationship between NSP staff and yourselves?
    - In the context of regular grantmaking
    - In the context of transitional operating support
    - In the context of special initiatives
    - In other contexts

6. Is the relationship between NSP and yourselves what it should be? Do you refer organizations in your portfolio to NSP? If not, are there any particular reasons why you don't?

7. Are you aware of the "firewall" between NSP and the HFPG grantmaking staff? From your perspective, is this firewall important?

8. Are NSP's services helpful and appropriate in the context of the current economic challenges facing the sector? Do you have thoughts about how NSP services can be most helpful given these challenges?

9. Do you see unmet or emerging organizational capacity issues for the sector as a whole, or subsets within the sector? Is there a role that NSP might play in addressing these issues?

10. Are there best practice trends that you see in capacity building that you think NSP should consider?

11. Recognizing that resources are limited, do you have recommendations for NSP about how to shape future capacity building efforts?

12. Is there anything we haven't discussed today that you believe will be important to include in the NSP evaluation process?

Appendix E: INTERVIEW PROTOCOLS

III. TAG & NSP CONSULTANT PARTNERS FOCUS GROUP PROTOCOL

TDC is conducting an evaluation of the impact of NSP's work. As part of this effort, we want to provide NSP's consultant partners with a confidential opportunity to share your perspective on the impact of NSP. We are interested in your perspective on the impact of specific grants, assessments and trainings, as well as the aggregated impact of the work. The evaluation methodology has included conversations with NSP and HFPG staff, interviews with a sample of organizations that have accessed NSP resources, best practice research, and now, focus groups with NSP consultants. We have a working hypothesis that greater use of NSP resources results in increased organizational impact, so the sample group of organizations has focused on those that have used a number of NSP resources.

1. How well does NSP's current portfolio of offerings address the capacity-building needs of non-profits in the region? What elements work particularly well? What elements might be improved or changed? How do the various components work together?

2. NSP is struck by how few organizations take advantage of the opportunity to have a free organizational assessment. Do you have thoughts about why this might be? If you think the assessments are a good thing, do you have suggestions about how NSP might encourage more organizations to take advantage of them?

3. In addition, it appears that there are some organizations which are frequent users of NSP and other organizations which rarely, if at all, tap into NSP. Do you have thoughts about why this might be?

4. What are the internal organizational factors that seem to be at play when capacity building is most effective? Are there common factors when capacity building is less effective (i.e. commitment of key leaders; size of organization; changes in external environment)

5. Are you aware of the "firewall" between NSP and the HFPG grantmaking staff? From your perspective, is this firewall important?

6. Are NSP's services helpful and appropriate in the context of the current economic challenges facing the sector? Do you have thoughts about how NSP services can be most helpful given these challenges? Are you changing any elements of your practice given these challenges? How so?

7. Do you see unmet or emerging organizational capacity issues for the sector as a whole, or subsets within the sector? Is there a role that NSP might play in addressing these issues?

8. How effective have NSP's consultant workshops been in helping you to enhance your ability to work in the sector? What workshops have been most helpful? Any thoughts about what

else NSP might do to build consultant capacity? Are there topics you would like to NSP address in the future? Are there other things NSP might do to support consultants' work?

9. Have you found the consultant database useful?   Do you think NSP could do anything to enhance this resource for users?

10. Are there best practice trends that you see in capacity building that you think NSP should consider?

11. Recognizing that resources are limited, do you have recommendations for NSP about how to shape future capacity building efforts?

12. Is there anything we haven't discussed today that you believe will be important to include in the NSP evaluation process?