

An Evaluation of the Omaha Community Foundation's Nonprofit Capacity Building Initiative – Years 1 & 2

Catherine Humphries Brown and Angela M. Eikenberry
University of Nebraska at Omaha

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Executive Summary

This report provides information to help the Omaha Community Foundation assess its Nonprofit Capacity Building Initiative (NCBI). The questions that guided this evaluation were:

1. What has been the impact of the NCBI?
2. How could the process for managing and administering the NCBI be improved?

The NCBI is perceived to have had a positive impact on the people and organizations that participated. In terms of organizational capacity building outputs, among the 2011 cohort, six of the organizations focused on marketing or fundraising. This included development of marketing plans (3), fund development plans (2), and improvement of direct mail efforts (1). In addition, two organizations created strategic plans with their assigned consultants and one organization received help to analyze the effect of being reclassified by the State of Nebraska as a different type of organization. These organizations have or are in the process of using the grant funds in the areas of marketing (5), strategic planning (3), and/or fund development (3). The 2010 cohort also focused their capacity efforts with their consultants largely for fund development, marketing and strategic planning. They also used the \$5,000 grant in the areas of strategic planning and implementation (2), fund development (2), web development (1), software and IT improvements (1), and staffing (2).

In terms of outcomes for the individuals and organizations involved in the project, according to all of the executive directors/CEOs and board presidents interviewed from the 2011 cohort, the Initiative had a perceived positive effect on personal and professional development, especially in relation to board leadership and relationships. The 2010 cohort executive directors/CEOs who were interviewed for this evaluation also all brought up the positive effect of the CEO roundtables on their leadership development as well as that of the board members who participated in year two quarterly meetings.

Based on interviews and a pre- and post-evaluation survey of the 2011 cohort, the Initiative seemed to have had a positive effect on organizations, but it is too soon to assess this fully. Five of the executive directors/CEOs from the 2011 cohort said they felt the Initiative had improved their boards and/or helped develop a more cohesive relationship between the board and the executive director/CEO. Most of these executive directors/CEOs and board presidents also said that it was too early to fully capture the impact of the Initiative on the organization. Executive directors/CEOs interviewed from the 2010 cohort also indicated several effects of the Initiative on their organizations, including: a more strategic focus and board engagement, improved web site, increased productivity and workplace satisfaction, increased program attendance and revenue, improved fund development processes, and new community involvement. However, one 2010 executive director/CEO also noted that while the capacity building initiative may have helped the organization avoid some potential pitfalls, they probably would have gotten to the internal organizational issues without the Initiative. Most interviewees felt it was too soon to assess the Initiative's impact on those they serve and several interviewees from the 2011 cohort expressed concerns about implementation of learning and plans going forward.

NCBI participants from 2011 also provided thoughtful feedback on several administrative areas of the NCBI, including:

- Participants felt the McKinsey assessment and discussions were beneficial even if the instrument was lengthy.
- Participants felt the consultants were helpful, but there were some challenges in securing their time.
- Participants found the CEO roundtables and board development meetings helpful; several suggested there be more connections between the groups.

The recommendations for the Omaha Community Foundation that emerged based on the findings and a review of best practices in nonprofit capacity building are:

1. Consider limiting the consultant-supported projects to those that address fund development, marketing, and strategic planning and develop standards for these types of projects.
2. Develop and implement mechanisms to encourage quicker translation of ideas into practice during the cohort year.
3. Identify specific, measureable outcomes of interest for the Initiative using a logic model and use these to evaluate change in the short and long term.
4. Consider other programmatic changes suggested by participants that address cohort selection criteria, application material content, the CEO roundtables, and the board development workshops.

Introduction

Beginning in January 2011, The Omaha Community Foundation's Nonprofit Capacity Building Initiative (NCBI) engaged a new cohort of ten nonprofit organizations in a year-long, multi-component program with the goal of helping these organizations develop or improve the infrastructure needed to better fulfill their respective missions. Of the applicants who met the basic eligibility criteria,¹ the following were selected for the 2011 cohort:

- Concord Mediation Center (formerly The Concord Center)
- Council Bluffs Community Education Foundation
- Council Bluffs Community Health Clinic
- Eastern Nebraska Community Action Program (ENCAP)
- Inclusive Communities
- InCOMMON Community Development
- Legal Aid of Nebraska
- Literacy Center²
- Together, Inc. of Metro Omaha
- Youth Care and Beyond

This 2011 cohort represented the second group of organizations to participate in the NCBI. (For a list of the nonprofit organizations that comprised the 2010 cohort, see Appendix A.) The Omaha Community Foundation used the knowledge gained through its 2010 NCBI to refine this year's program. For example, changes were made to better address organizations' board capacity and board leadership needs through the introduction of quarterly board leader meetings and the organizational assessment tool was modified to be less cumbersome for participating organizations and more targeted to the purposes of the Initiative.

As in 2010, the Initiative was largely organized and facilitated by a project director (and co-director in year two) on contract with the Omaha Community Foundation and consisted of a year-long effort centered on organizational capacity and leadership development.

The **organizational capacity building** component consisted of:

1. The online completion of an organizational capacity assessment tailored to nonprofit organizations (the Social Venture Partners version of the McKinsey Organizational Capacity Assessment) by board members, the executive director/CEO, and selected staff; followed by discussion during a board meeting of the findings with the project director;
2. Access to a consultant to work on an area identified through the organizational assessment and discussion with the project director. As part of this portion of the project,

¹ Basic eligibility criteria for nonprofits applying for inclusion in the 2011 cohort were: 501(c)(3) status; at least two full time equivalent staff; an annual budget over \$300,000; founded at least 5 years ago; and a history of sound financial position as indicated in audit or budget information. Additionally, applicants were asked to provide a written response to the several questions.

² Due to leadership changes, the Literacy Center only participated in the earlier portions of the Initiative and so were not included in the evaluation portion of the project.

strategic planning assistance was also provided to three organizations by the project directors.

3. A grant of \$5,000 through the Fund for Omaha to be used for capacity needs tied to the organizational assessment.

As in 2010, after completing the McKinsey Assessment at the outset of the Initiative, the executive directors/CEOs and boards of each nonprofit met with the project director to discuss the results of the assessment, provided in a summary report. As part of these meetings, the project director led a facilitated discussion, which resulted in the identification of an area on which the executive directors/CEOs and boards wanted to focus their organizational capacity development efforts for the year. Subsequently, the project directors assigned a consultant to each nonprofit to assist them in addressing their specific area of organizational capacity development. The \$5,000 grant request also had to align with needs identified in the assessment and subsequent discussion.

The **leadership development component** targeted both executive directors/CEOs and board leaders (board chairs and vice chairs). This leadership development component consisted of:

1. Half-day monthly CEO roundtables, which included discussions and dissemination of tools related to: nonprofit leadership, the development of organizational narratives, team building, strategic planning, and board development (roles and responsibilities, board reporting, recruitment, agendas, financial reporting, board self-assessment), and executive director/CEO evaluation.
2. Two-hour quarterly board development meetings, which included discussion and dissemination of tools related to: nonprofit leadership, the development of organizational narratives, strategic planning, and board development (including fundraising, interactions with executive director/CEO and other staff, board self-evaluation, board evaluation of the executive director/CEO).
3. Executive directors/CEOs access to an executive coach (the project directors).

Methodology

Data for this year's evaluation of the NCBI were gathered using surveys, interviews, and document review.

Surveys

Two types of survey data were used to evaluate the Initiative: (1) a pre- and post-test survey and (2) a mid-term survey.

Pre-test (or "baseline") and post-test surveys were provided online to each organization's executive director/CEO in January 2011 and November 2011, respectively. Nine of the ten executive directors/CEOs completed both the pre- and post-test surveys. Pre- and post-test surveys were designed to capture information about each organization's service provision, revenue, human resources, and board characteristics and the extent to which these characteristics

changed over the course of the year during which the organization participated in the Initiative. In short, information from these pre- and post-test surveys was intended to measure outputs and outcomes.

The general limitation of such an approach is that it does not provide information about the likelihood and extent to which such changes would have occurred within these organizations even in the absence of the NCBI. In other words, any observed changes may or may not be directly attributable to the Initiative. As Abt Associates (2010, p. 2)—who also use a before/after method in their evaluation of a federally-funded nonprofit capacity building program— note, observed changes may be due to a range of factors other than the capacity building program itself. Nonetheless, such a survey instrument can provide some indication of whether or not organizations in the cohort have improved capacity in the areas of focus noted earlier. Additional limitations arise in this specific case because of the small sample size and its non-normal distribution.

More of a concern, however, is that the results of the survey in some cases seem to be counter to what might logically be expected. Specifically, for questions of a yes/no response type (e.g. “Does your organization have a strategic plan?”), organizations’ responses seemed to change from “yes” to “no” over the course of the year. This may be the case because of human error in taking the survey and/or because the Initiative made executive directors/CEOs more aware of capacity areas to the degree that they understood better what it means to have a strategic plan of succession plan in this case. Nonetheless, this raises questions about the validity and reliability of the data. While this issue is separate from the limitations of the method itself, its presence means that audiences should hesitate before attaching too much significance to the results. The results of these surveys are included in Appendix B and discussed further below.

Evaluation data were also drawn from a mid-term survey, provided online in June 2011, to 2011 organization’s executive director/CEO and board leadership, as well as the board leadership from the 2010 cohort of board leaders who were participating in the quarterly board development meetings. Data from these surveys was used to corroborate and extend interview data, especially with regard to evaluating the administration of the Initiative.

Interviews

Semi-structured interviews with the current cohort executive directors/CEOs and board presidents and five of last year’s cohort executive directors/CEOs were conducted during October-November 2011. In total, 21 interviews were conducted. From the 2011 cohort, 17 interviews (9 executive directors/CEOs and 8 board presidents) were conducted.³ From the 2010 cohort, 5 interviews of executive directors/CEOs were conducted.⁴

³ The executive director and the board president of the organizations in the 2011 cohort that did not complete the full year were excluded from the interviews. In addition, scheduling conflicts prevented one board president from being reached for an interview.

⁴ Eight organizations completed the 2010 Initiative. As of the time of the interviews, five of these still had executive directors who were familiar with the 2010 Initiative.

These interviews were used to gather information about each individual's experience with the Initiative over the course of the year, and obtain feedback on impact of the Initiative and how the Initiative could be improved. All interviews were recorded and notes were taken during the course of the interviews. Following Rubin and Rubin (2005), transcriptions of these notes were used to develop records of analysis that showed how various interviewees responded to each category of question. Once responses were summarized, they were reviewed in order to identify common overarching themes, as well as micro-level variation within these themes. Survey and documentary evidence was also used to corroborate and elaborate on these themes.

Document Review

Interview data were augmented and corroborated by (1) summaries of executive director and board leadership feedback on the CEO roundtables and board development meetings respectively, provided by the project directors who led these groups, (2) McKinsey assessment results for each nonprofit organization, and (3) grant reports provided to the Omaha Community Foundation for six of the nonprofit organizations from the 2010 cohort.

Findings – Impact

The consultant-supported projects and grant funds for most organizations in years one and two of the NCBI focused on the areas of marketing, fundraising, and strategic planning. Interviewees felt the Initiative had a positive impact on their personal and professional development. Additionally, while most interviewees felt that the Initiative had a positive impact on their organizations, they felt it was too soon to assess this impact fully. It was also too soon, from most interviewees' perspectives, to assess the Initiative's impact on those whom they serve. Looking forward, interviewees expressed concerns about implementing some of the ideas presented during the course of the Initiative, given the difficulties of organizational change. From an evaluation perspective, there also appear to be some limitations in using the pre/post-test survey to assess change, and/or the results of this survey suggest that it may be too soon to assess the impact of the NCBI.

The consultant-supported projects and grant funds for most organizations in years one and two of the NCBI focused on the areas of marketing, fundraising, and/or strategic planning.

During this year's 2011 cohort, six of the nine nonprofits that completed the Initiative focused on efforts to improve marketing or fundraising. This included development of marketing plans (3), fund development plans (2), and improvement of direct mail efforts (1). In addition, two organizations created strategic plans with their assigned consultants (this is aside from three other organizations that received additional help with strategic planning from the project directors) and one organization received consultant help to analyze the effect of being reclassified by the State of Nebraska as a different type of organization (see Table 1).

Table 1 also describes the intended use of the \$5,000 grant funds by the 2011 cohort. Organizations have or are in the process of using the grant funds in the areas of marketing (5), strategic planning (3), and/or fund development (3).

Table 1: 2011 Cohort Consultant Supported Projects and Grant Fund Use			
Organization	Consultant-Supported Project	Status of Consultant-Supported Project	Intended Use of Grant Funds
Concord Mediation Center	Development of a strategic plan	Strategic plan completed; supporting implementation plan in progress	Securing outside experts to identify, input, and analyze data to strengthen fundraising efforts
Council Bluffs Community Education Foundation	Development of a marketing plan*	In progress as of December 2011	Securing consultants to assist with development of a strategic plan; support for activities related to the development of a fundraising plan
Council Bluffs Community Health Center	Development of a marketing plan and name change of the clinic	Draft marketing plan completed	Logo redesign, website updates, and related print material updates
Eastern Nebraska Community Action Partnership	Improvement of donor base through fund development plan	Consultant shared proposal at December board retreat	Securing a consultant with expertise in marketing
Inclusive Communities	Development of a strategic plan.	Completed	Securing a consultant with expertise in strategic planning
InCOMMON	Development of a marketing plan and year-end annual appeal*	In progress	Implementation of marketing plan
Legal Aid of Nebraska	Creation of a resource development plan	Completed	Support for 50 th anniversary major fundraising event
Together, Inc.	Improvement of direct mail fundraising	Completed	Website improvement
Youth Care & Beyond	Analysis of the impact of potential reclassification*	Completed	Securing a consultant to facilitate strategic planning meetings; support for marketing activities
* Denotes that, in addition to the consultant, support was provided by the project director or co-director to facilitate the development of a strategic plan			

According to pre- and post-evaluation survey data, four of the organizations in cohort two had a written strategic plan at the outset of the Initiative. According to interview data, of the five organizations that either did not have a strategic plan or did not have a written strategic plan at the outset, all worked with their assigned consultant, the project director, or the project co-director to make progress towards the development of a strategic plan. According to interview data, four of these five organizations now have a written strategic plan, and the fifth plans to develop a written strategic plan in early 2012. However, executive directors' response to the survey question as to whether their organization had a written strategic plan at the conclusion of the Initiative presents a more varied picture. Specifically, based on survey response data, only one organization that lacked a written strategic plan at the outset had such a plan at the conclusion of the Initiative. Additionally, four organizations (that were part of the five whose executive directors said in interviews that they used the Initiative to make progress toward

developing a strategic plan) reported having a written strategic plan at the outset reported not having one at the conclusion.

Thus, based on the above evidence, the conservative finding (meaning the finding for which there is corroborated evidence) is that, of the nine organizations that completed the NCBI in 2011, four had strategic plans at the outset and five had them at the conclusion. The more “optimistic” finding (meaning the evidence is not corroborated, and is sometimes contradictory) is that, of the nine organizations that completed the NCBI this year, four had strategic plans at the outset and all nine either had them at the conclusion or had made progress towards the development of a plan.

The 2010 organizations also focused their capacity efforts with their consultants largely on fund development, marketing and strategic planning (see Table 2). Four of the eight organizations that completed the NCBI in 2010 decided to focus their capacity building effort on fundraising-related issues. Specifically, one organization worked on developing case statements, another worked to develop a fundraising plan, a third collected data to and developed a proposal for additional staff that would enable the executive director to spend more time on fundraising, and a fourth worked to develop a general organizational consensus about broad changes in their fundraising strategy. The organizations that did not focus on fund development chose, respectively, to: address human resource-related needs (2), improve marketing/public relations materials (1), and develop a strategic plan (1).

As for the use of the \$5,000 grant, 2010 organizations used it in the areas of strategic planning and implementation (2), fund development (2), web development (1), software and IT improvements (1), and staffing (2).

Table 2: 2010 Cohort - Use of Grant Funds and Outputs/Outcomes		
Organization	Use of Grant Funds	Outputs/Outcomes
Bemis Center for Contemporary Arts	Developed a three-year strategic visioning and positioning plan.	The results achieved from the session helped the Bemis Center develop a clear, concise and practical strategic plan for the next three years; as a result of the session, the board of directors is more informed, enthusiastic, engaged, committed and prepared to support and advocate for the organization.
Charles Drew	Purchased a fundraising software package that would enable better tracking of funding efforts.	Got board members actively involved in thinking about the issues and problems and goals needed to achieve.
Family Housing Advisory Services, Inc.	Updated website and add content management system.	The site is now more appealing, more user-friendly and easily navigable. With its links to social media, it is live and ever-changing with photos, stories, and news clips. One major positive feature of the updated website is the ability to maintain up-to-date information through a content management system and can assess website traffic through weekly activity reports.

Habitat for Humanity of Council Bluffs	Upgraded technology in office, including volunteer management software, construction project management software, a computer, router and IT consulting.	With the consultant and grant able to increase productivity and workplace satisfaction of staff.
Kids Can Community Center	Hired additional direct-care staff member.	Grew direct care resources, which in turn helped increase program revenue. Able to hire four part-time direct care staff. This allowed Youth Development Manager to focus more time on developing and implementing an outreach plan to increase attendance capacity and to have a more focus on quality program development; these efforts helped attendance grow by an average of 44 percent over the last seven months; able to successfully implement some of our program development and marketing objectives from our marketing plan ahead of schedule.
Latino Center of the Midlands	Created systems and structure for fund development.	Completed Development Audit; developed process for creating organizational case statement; created process to help staff clarify the message and a case for support for the programs; facilitated role playing with the ED and Board to “make the ask.”
Love's Jazz & Arts Center	Implemented change in staffing and carrying out the strategic plan.	New community involvement, relationships and marketing strategies underway; staff transition and the organization being defunded, didn't allow to totally reach intended goals. Marketing materials were created but not disseminated to wider audience.

Interviewees felt the Initiative had a positive impact on their personal and professional development.

All of the executive directors interviewed from 2010 and 2011 referenced the CEO roundtables in describing the Initiative’s positive impact on their personal and professional development. They said they had learned a lot about leading the board (including the use of board report cards, the executive’s role, consent agendas, and the purpose of board meetings). Among the 2011 cohort, Kotter’s *Leading Change* book was felt to be good choice and participants felt that they had greater confidence, improved self-knowledge, and better understandings of the community of service providers.

Similarly, all the board presidents from 2011 who were interviewed felt the Initiative had a positive impact on their personal and professional development. For example, they talked about learning techniques regarding how to run a board more efficiently and effectively (e.g. evaluating executive directors, ensuring other board members are engaged), and also about more general phenomena like realizing other organizations faced similar challenges.

The 2010 cohort executive directors/CEOs who were interviewed also all brought up the positive effect of the CEO roundtables on their leadership development as well as that of the board members who participated in year two quarterly meetings. It seems these executive directors/CEOs saw the greatest benefit of the project in the CEO roundtables; however, they were not able to articulate what were the exact outcomes beyond improved leadership.

Representative of this, as one ED/CEO noted: “I think it would be hard just to quantify it, but I feel like I’ve definitely grown and matured as a director having that opportunity to learn, ask questions, have discussions with other colleagues....I just have a better foundation for leadership for sure.”

Most interviewees felt that the Initiative had a positive impact on their organizations, but it is too soon to assess the full effect.

In terms of the impact on the organization, five of the executive directors from the 2011 cohort said they felt the Initiative had improved their boards and/or helped develop a more cohesive relationship between the board and the executive director. For example, one executive director noted their board resource development committee had been rejuvenated as an outcome of the NCBI. Another felt that relationships between board members seemed more cohesive and the board now has a better understanding of what to expect of someone in the executive director’s role. Board and board-related development was the most frequently-cited organizational impact of the Initiative. Executive directors felt that having a strong board helped make the organization stronger, and improved the ability to serve others. Three of these five 2011 executive directors thought that more time would be needed, though, to fully assess the Initiative’s impact— a characteristic observation was that the year of the Initiative had been about learning and the next year was about implementation.

This contrasts somewhat with the mid-term survey responses provided by executive directors in the 2011 cohort. For example, in the mid-term survey, one executive director reported that, as a result of the CEO roundtables in particular, the organization established more consistent meetings, smaller task forces, and an employee handbook. Other executive directors in this survey said they had (1) gained a focus on development strategy and board development, (2) developed marketing strategies as well as enabled training for supervisors and department managers, (3) worked on prioritizing so as to devote more time to board development, (4) moved into a dedicated season on strategic planning and marketing, (5) implemented board accountability measures and established the need for a strategic plan, (6) focused more on the board, (7) gained a better understanding of how to engage the board, and (8) renewed their focus on resource development.

Half of the board presidents from the 2011 cohort also said that it was too early to fully capture the impact of the Initiative on the organization. One of these board presidents, however, described the impact in terms of helping the organization focus on their organizational identity and how this should guide their programming decisions. Another thought perhaps the Initiative had also made them think about moving to a consent agenda so as to be able to focus more on strategically-relevant issues rather than minutiae. Of the other four, one noted the organizational impact in terms of how it has affected their recent hiring decisions and the way they strategically plan. A second of these noted the Initiative has helped individuals within the organization clarify common goals, understand what specific changes are needed to improve, and clarify their approach to recruiting board members. A third of these felt, at least in part due to the Initiative, they are identifying board members who can “take it to the next level” in terms of the organization’s profile. A fourth noted that the Initiative made him realize, as a board, they need to stay on task, and avoid getting off track.

Executive directors/CEOs interviewed from 2010 also indicated several effects of the project on their organizations. Some of these are noted in Table 2 related to the grant funds used and include: a more strategic focus and board engagement, improved web site, increased productivity and workplace satisfaction, increased program attendance and revenue, improved fund development processes, and new community involvement. In addition, in interviews, one executive director/CEO noted the NCBI helped her think about this process a bit more clearly as her organization is about to develop their next 5-year strategic plan. As a result of the Initiative, she solicited input from sources that she had not contacted before, such as non-managerial employees (she also interviewed her managerial staff, held community focus groups, and spoke with the board). The CEO roundtables were helpful to this process and informed the changes she made. However, another executive director/CEO noted that while the capacity building initiative may have helped the organization avoid some potential pitfalls that would have been associated with their period of growth, they probably would have gotten to the internal organizational issues even without the Initiative.

Most interviewees felt it was too soon to assess the Initiative's impact on those they serve.

Similar to their assessment of the Initiative on their organization, two executive directors/CEOs from the 2011 cohort specifically said it was too early to see whatever impact the Initiative would have on those served by their organizations. Executive directors/CEOs seemed to think that positive outcomes could be realized if, for example, the Initiative enabled them in the future to bring in more resources (and so serve more people and/or serve existing people better). Related to this, one executive director/CEO not among those who specifically said it was too early suggested the consultant assistance related to improving the layout and presentation of their direct mailing had increased the size of donations generated via their annual direct mail campaign over last year by \$3,000 to \$4,000. This executive director/CEO felt that, if the organization was performing better, more resources would be available to help clients. For example, there could be more staff or more staff time to help clients, and better salaries could also help retain staff. A capital campaign would also be more possible. In addition, another executive director/CEO said the Initiative had helped them be more realistic about what they could provide to clients. A third felt that being a part of the Initiative had prompted the organization to be more assertive in reaching out to the community. Three board members specifically said it was too early to assess the impact on those served. Others felt that anything that improved organizational leadership and/or improved resource development ultimately helped clients.

Three of the five executive directors/CEOs from the 2010 cohort also indicated they were not able to note any direct effect of the NCBI on those they served; although grant reports discussed in Table 2 do indicate some effects, such as increasing the number served in the case of Kids Can. One executive director/CEO noted it was too early to tell. He expressed that the NCBI may not create a stronger nonprofit sector generally, but rather widens gaps between nonprofit organizations in a particular area. He noted that having a well-functioning top tier does not bring other organizations up. He thought a question that needs to be addressed is how to share (though it depends on whether there is a receptive audience) the good things about the Initiative. It could be that young, start-up organizations would benefit more. He also questioned whether ten

organizations per year is enough to make a difference and that it might make more sense to focus on specific field or organizations of a certain size. Indeed, the data from interviews suggest that for the 2010 cohort, side benefits were the synergies and relationships created among the housing-related organizations who have continued to work together beyond the end of the Initiative.

Interviewees expressed concerns about implementation.

While positive about the Initiative overall and hopeful that changes would result, 2011 participants expressed concerns that—while they had gained a number of good ideas throughout the Initiative—challenges remained that might prevent these ideas from being translated into practice. This idea was expressed by all eight of the board presidents interviewed and one of the executive directors. This idea arose at various points during the interviews (i.e. it came up when talking about feedback on the roundtables, impact on the organization, as well as while talking about ideas to broaden and/or deepen the Initiative’s impact). While, as one board president put it, they do not necessarily want their actions to be monitored, at the same time it might be good to have something to keep the ideas and momentum from withering on the vine. One way to do this, as suggested by another interviewee, was to convene a voluntary group with attendees prepared to present how/to what extent change has occurred and to be candid about the challenges faced. Another board president suggested a \$5,000 grant could be offered to all organizations next year but more could be offered as an incentive if certain criteria were met.

The evaluation survey results were mixed, suggesting some limitations in using this tool for evaluation and that it may be too soon to fully assess the impact of the NCBI.

The results from the surveys completed by the 2011 cohort of executive directors at the outset and near the conclusion of the Initiative are presented in Appendix B. When reading and interpreting the results, which are presented in collective format (rather than for each organization individually), it is important to note that there may be inconsistencies within the responses that affect the results. For example, in relation to the question “Does your organization have a written strategic plan?” the results would seem to suggest that there was a 22 percent increase in the number of organizations with a written strategic plan. However, it would be inaccurate to interpret the results in this way, in part because some organizations that reported having a written strategic plan at the outset did not report having a written strategic plan at the conclusion. Thus, the assumption that organizations keep a given characteristic (in this case, a strategic plan) over time does not hold.

In terms of service provision, such inconsistencies do not seem to be as much of a problem. The data on service provision suggests that the trend for the group as a whole did not show expansion of programmatic areas, which may be indicative of a focusing of resources on mission in the context of a tight economy. Because of the sample size, any change cannot be interpreted as significant, however.

In terms of revenue generation, total revenue seems to be lower than in the prior year. This may be due to the way in which executive directors/CEOs interpreted the question; for example, for the survey at the outset, they may have reported all calendar year 2010 revenue but when

responding to the November 2011 survey, may only have reported revenue from January 1, 2011 through the date of the survey, thus omitting December data.

Human resource management data seem to be fairly stable, although there seem to be some problems with inconsistencies here as well. For example, in terms of whether there are written job descriptions for volunteer staff, the results suggest fewer organizations in the cohort had these after the Initiative than before. In part, this may be due to the way in which executive directors/CEOs responded to the question. At the outset, eight organizations responded: four said they had such descriptions, two said they did not, and two said the question was not applicable. Eight organizations responded differently at the conclusion: a different set of four said they had such descriptions and four said they did not (including one that said they had them at the outset and two that said the question was not applicable).

Board development data suggests most aspects were fairly stable. Again, issues with inconsistencies should be considered in interpreting these results, however. In particular, three that reported having a succession plan at the outset reported not having one at the conclusion. At the same time, two that reported not having a succession plan at the outset had one at the conclusion.

Findings – Process

In terms of the components of the Initiative, which included an organizational assessment (the McKinsey assessment), access to a consultant, and CEO and board development meetings, participants offered their observations and feedback. In particular, participants felt the McKinsey assessment was beneficial even if lengthy. Additionally, participants felt the consultants were helpful, although there were some challenges in securing their time. Lastly, participants found the CEO roundtables and board development meetings helpful, and several suggested there be more opportunities for connections between the groups.

Participants felt the McKinsey assessment was beneficial even if lengthy.

According to both interview data and mid-term survey results, all of the executive directors/CEOs in the 2011 cohort had positive feedback about the McKinsey assessment tool and the facilitated discussions about the results of the assessment that were used to identify areas of focus for the organization. For example, they felt the McKinsey assessment tool was a good diagnostic tool, its use facilitated dialogue, and it “got to the heart” of what staff and leadership felt were the key developmental needs for their organization, even when some of these issues were already somewhat understood.

Five executive directors—all of whom also offered positive feedback—also noted some issues with the McKinsey assessment tool. Two of the nine, for example, felt that it was somewhat of a lengthy process—especially for board members who may have less time to devote to it. Three of the nine also suggested that not all board members and/or staff might have the information to accurately respond to the assessment questions. (In some ways, this is part of the point of the McKinsey assessment tool as it is meant to help participants understand what they may or may

not understand or have considered about capacity related to the organization—the goal is to build capacity while assessing it [Guthrie & Preston, 2005]).

The 2011 cohort board members' comments about the McKinsey assessment tool and/or the facilitated discussions were generally similar to those of the executive directors. All interviewed board members had no negative comments beyond noting that some time had passed since the assessment, so that their recollection of it might not be as good as it was earlier.

Participants felt the consultants were helpful, but there were some challenges in securing their time.

Executive directors/CEOs of the eight organizations⁵ in the 2011 cohort that worked with an outside consultant around a specific area of need, all either had positive or neutral feedback about the consultant in the end of year interviews. In general, the positive feedback was they were, at minimum, satisfied with the support received in terms of the consultant's knowledge base, responsiveness, or general demeanor. Going forward, one executive director/CEO directly noted and another indirectly noted, they would have found it helpful to have more guidance on how to “use” the consultant (e.g. examples of effective processes other organizations participating in the Initiative had previously used). Two other executive directors also suggested there might be ways to create incentives for the consultants to make work with the organizations in the cohort a higher priority—for example, by offering a stipends, enabling the consultant to count their work on the Initiative towards their professional development requirements, and/or enabling the consultant to factor their contributions to the Initiative into their performance evaluation with their primary employer.

Participants found the CEO roundtables and board development meetings helpful; several suggested there be more connections between the groups.

All nine of the 2011 executive directors/CEOs shared positive feedback about the CEO roundtables. As one executive director put it, echoing the sentiments expressed by others, these meetings were characterized by good topic choices, rich dialogue, and good facilitation. A frequent suggestion to improve this process focused on the development of a joint executive director-board leadership meeting (discussed below). Five executive directors offered other suggestions as well: develop a pre-assembled package of materials to provide to executive directors at the start of the year; move the “management problems” section of the discussion to earlier in the sessions; and include the meeting dates in the application materials.

Seven of the eight 2011 board presidents had positive comments about the board leadership workshops (although the eighth's comments were not negative, they were more neutral). This group said the facilitation was good, as were the choices of topics. Two board presidents observed there seemed to be issues with attendance by board members. While they both had positive comments about the sessions, one felt more could be done to help foster relationships among board participants. Although the infrequency of meetings was an issue raised by two

⁵ One organization of the nine originally had a consultant assigned to them to assist with board development but, according to the executive director, worked instead with the project director to develop a strategic plan, since this area of need was felt to be of higher priority.

board presidents, and simply holding meetings more often might help, other ideas to facilitate conversation and relationship development among participants included having participants sit in the same places for each meeting (assigned seating) or having the meeting facilitator develop and circulate to the group a list of everyone's name, telephone, and email address and/or to ask participants to wear name tags. On the other hand, the same interviewee noted there is considerable turnover of board leadership, so perhaps significant focus on this issue is not merited. A third board president noted participants seemed to just be "warming up" on the fourth meeting, so perhaps a social event earlier in the year would be good to encourage a feeling of community sooner. One executive director/CEO commented that the number of meetings seemed "doable" for a board member and that the Omaha Community Foundation could help further by including the dates and times of these meetings in the application materials.

A common theme across both sets of 2011 interviewees was the need for some type of joint meeting between the executive directors/CEOs and the board leadership, although opinions were divided as to whether this would be better accomplished in a large group setting or more as "homework." Four of the nine executive directors/CEOs said some type of joint meeting between them and board leadership would be helpful at some point during the year. Five of the seven board presidents said some type of joint meeting between the executive directors/CEOs and board leaders would be helpful. As one board president put it when asked why such meetings were important, "it comes down to visibility, transparency, and trust." There is already a sense that relationships between executive directors/CEOs and board members need to be high-trust, collaborative relationships. Having some meetings together—as opposed to having them all separately—seemed, in interviewees' options, to be more reflective of a collaborative approach.

Recommendations and Observations

Based on the findings discussed above, several recommendations and observations are offered below.

Recommendation 1: Consider limiting the consultant-supported projects to those that address fund development, marketing, and strategic planning; develop standards for these types of projects.

While providing each participating organization with a consultant to work on a specific area of organizational development may be an effective method of organizational change, questions exist as to the outputs of these relationships and whether the outputs are of a reasonable quality. In part, these issues arise because participating organizations may not know what is reasonable to "ask" of the consultant, and in part because the consultants often have other, full-time responsibilities themselves. However, standard metrics for outputs would enable more effective relationships between participating organizations and consultants assisting with organization-specific projects and enable the Omaha Community Foundation to have a higher level of assurance that the quality of these projects meets their desired level and are completed within the expected timeframe.

Based on the data collected in 2010 and 2011, three types of consultant-supported projects seem to be in greatest demand: those dealing with development, marketing, and strategic planning. In

2010, half (4) of the eight nonprofits that completed the Initiative focused on fundraising and in 2011, six of the nine nonprofits that completed the Initiative focused on fundraising or marketing. In 2010 and 2011, several organizations focused on strategic planning.

Standards for these projects could be developed by subject matter experts (including the project directors) and outline the basic components of what a consultant-supported project in each of these areas would entail. These standards should be developed in advance and provided to participants and consultants prior to embarking on a project so that expectations are clear. Either Omaha Community Foundation staff or the project directors should ensure that the standards are being met as the Initiative progresses over the course of the year. This could also be included as part of the evaluation process.

Recommendation 2: Develop and implement mechanisms to encourage quicker translation of ideas into practice during the cohort year.

As noted by participants in both 2010 and 2011, while the Initiative conveys a number of best practices, these practices may not begin to be implemented until after the Initiative ends and a number of challenges may preclude the implementation of these ideas. Participants in the 2011 cohort voiced several ideas that may help overcome these obstacles, even though responsibility ultimately lies with them and their organizations. These ideas included joint meetings between the executive directors and the board leadership (either in a large-group format or as “homework”); guidance on how to translate ideas into practice; and a follow up meeting at which participating organizations would share their experiences affecting change, including what worked and what did not. Agile training or other teaching/learning models that are focused on directly implementing newly learned material may be useful to consider (see Appendix C). Plans to extend the cohort experience to 15 months should also help with this issue.

Recommendation 3: Identify specific, measureable outcomes of interest for the Initiative using a logic model and use it to evaluate change in the short and long term.

A logic model is a learning and management tool that visually depicts the linkages between the planned work associated with a given initiative and the intended results of the initiative. When well-designed, it clearly illustrates and communicates relationships among resources/inputs, activities, outputs, and outcomes. It also helps ensure that linkages among these components are reasonable (W.K Kellogg Foundation, 2004). The process of developing a logic model and the logic model itself helps make informed decisions about how to address issues highlighted by the evaluations of both the Initiative’s first and second year, such as: 1) what type of timeline may be most reasonable to use, 2) what areas of organizational capacity development are best suited to the desired impact of the Initiative, and 3) whether consultants should be paid and/or incentivized via other mechanisms. All of these issues are interrelated.

Based on discussions with the NCBI project directors, a logic model is attached to guide next year’s Initiative and evaluation (see Appendix D).

Outputs to evaluate as part of the project might include:

- Nonprofits identify/ discuss organization capacity areas in need of improvement.

- Nonprofits work on at least one capacity area.
- Nonprofits have active and useable strategic plan that drives organization development and change.
- CEOs and board leaders receive information, assistance and tools in leadership knowledge and skills development; build relations with each other.
- There is ongoing identification of nonprofit capacity needs in Omaha/Council Bluffs area.

Short-term outcomes to evaluate may be:

- Organization has reporting system in place that is reflective of strategic plan and enables good decision-making and leadership.
- CEOs and board leaders understand and are effective in relationships with one another.
- CEO and board have sense of shared ownership and accountability in development of organization.
- There is a systematic process in place to evaluate and develop CEO, staff and board in relation to stated strategic goals of the organization.

Long-term outcomes to evaluate may be:

- *Effectiveness*—Organizations’ missions better achieved.
- *Resiliency*—Organizations able to be proactive when challenges come; able to adjust to changing environment while staying focused on mission.
- *Mastery*—Organization leaders have clarity of focus and sense of empowerment to create change.

Recommendation 4: Other programmatic changes.

There were several other suggestions for programmatic changes noted above. These should be taken into consideration when planning and implementing future years of the Initiative:

- To increase the likelihood of synergies among organizations participating in the Initiative, consider choosing a cohort of organizations that provide similar or related sets of services. Per 2011 interviews with cohort one executive directors, a side benefit of the Initiative seemed to be the creation of synergies and relationships among the housing-related organizations. These organizations are those that continued to work together after the end of the Initiative.
- To enable participants to ensure attendance at the CEO Roundtables and board development workshops, include the dates for these meetings in the application materials.
- For the CEO roundtables, consider developing a pre-assembled package of materials to provide to executive directors at the start of the year and moving the “management problems” section to earlier in the sessions.
- For the board development workshops, to help foster relationships among board participants and develop a sense of a group setting sooner, consider some or all of the following: increase meeting frequency, hold a social gathering early in the year for the group to “mix,” use assigned seating, use name tags, and/or take steps to centralize and circulate participants’ information (name, telephone, and email address).

- To reflect the collaborative approach that participants felt was necessary in effective relationships between executive directors and their boards, enable one or some of the CEO roundtables and board development workshops to be held as a combined meeting.

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Appendix A

Nonprofit Organizations Selected to Participate in the Omaha Community Foundation's 2010 Nonprofit Capacity Building Initiative

The following is a list of the ten nonprofit organizations that comprised the 2010 cohort for the The Omaha Community Foundation's Nonprofit Capacity Building Initiative. The Omaha Community Foundation chose these local organizations based on a desire to work with a diverse group of organizations in terms of agency age, service area, population served, and geographic area during the first year of the project. With one exception, the selected nonprofits also had budgets of \$2 million or less. The nonprofits selected for the 2010 cohort were:

- The Bemis Center for Contemporary Arts
- Charles Drew Health Center
- Family Housing Advisory Services
- Habitat for Humanity – Council Bluffs
- Kids Can! Community Center
- Latino Center of the Midlands
- Love's Jazz and Arts Center
- Neighborhood Center*
- NeighborWorks Omaha*
- Youth Emergency Services (YES)

*Did not complete the full year of the Omaha Community Foundation's 2010 Nonprofit Capacity Building Initiative

Appendix B

Results from Pre- and Post-Test Surveys of Participating Organizations

Survey Item	N (pre/post)	Mean (Pre)	Mean (Post)	% Yes (Pre)	% Yes (Post)	Difference Between Pre and Post*
Strategic Plans						
Does your organization have a written strategic plan?	9/9	n/a	n/a	0.56	0.78	0.22
Service Provision						
Expanded programmatic areas in the last year?	9/9	n/a	n/a	0.89	0.44	-0.44
Reduced programmatic areas in the last year?	9/9	n/a	n/a	0.44	0.11	-0.33
Recipients served in prior month	9/9	829	1004	n/a	n/a	175
Increased number of recipients served in last year?	9/9	n/a	n/a	0.56	0.33	-0.22
Revenue Generation						
Total revenue over past year	9/8	1,734,357	1,562,366	n/a	n/a	-171,990
Grant or contract revenue	9/7	1,158,943	1,140,632	n/a	n/a	-18,310
Direct mail fundraising	7/3	11,058	10,150	n/a	n/a	-908
Special fundraising events	8/6	45,776	62,152	n/a	n/a	16,376
Fundraising appeals	6/5	113,228	135,721	n/a	n/a	22,493
Allocation from other organization	5/4	0	0	n/a	n/a	0
Fees for services	9/8	354,700	324,575	n/a	n/a	-30,125
Investment interest	8/6	7,106	18,078	n/a	n/a	10,971
Unsolicited donations	7/3	18,585	7,566	n/a	n/a	-8,018
Other	9/5	68,523	335,330	n/a	n/a	266,807
Does your organization have a fund development plan?	9/8	n/a	n/a	0.44	0.5	0.05
Human Resource Management						
Executive director written job description	9/8	0.67	0.75	n/a	n/a	0.08
Paid staff job descriptions	9/8	0.78	0.88	n/a	n/a	0.1
Volunteer staff job descriptions	8/8	0.67	0.5	n/a	n/a	-0.17
Executive director annual performance review	9/8	n/a	n/a	0.78	0.63	-0.15
Paid staff annual performance review	9/8	n/a	n/a	1	1	0
Volunteer staff annual performance review	9/8	n/a	n/a	0	0.33	0.33
Executive director succession plan	9/8	n/a	n/a	0.33	0.125	-0.21
Board Development						
Number of board members	9/8	11.22	12	n/a	n/a	0.78
Number of vacant board seats	9/8	2.22	2.13	n/a	n/a	-0.1
Is there a formal board orientation?	9/8	n/a	n/a	0.44	0.78	0.33
Are there job descriptions?	9/8	n/a	n/a	0.89	0.67	-0.22
Are minutes regularly taken?	9/8	n/a	n/a	0.89	0.89	0

Survey Item	N (pre/post)	Mean (Pre)	Mean (Post)	% Yes (Pre)	% Yes (Post)	Difference Between Pre and Post*
Does the board conduct an annual self-evaluation?	9/8	n/a	n/a	0.22	0.25	0.03
Does the board have a succession or recruitment plan?	9/8	n/a	n/a	0.33	0.25	-0.08

*Results may not add to 100 due to rounding.

Appendix C

Information about Agile Training

Agile Training is adapted from the Agile method of information systems development. It is an iterative method, designed to produce a demonstrable set of valuable technical skills on a short timetable. Agile Training addresses the process of the instructional interaction. Particular attention is paid to the psychological factors of training. The psychological factor measured in Agile Training is so-called “mental models”.

Peter Senge's work with the concept of mental models led to many advances in the field of organizational theory. Mental models are the “deeply held internal images of how the world works, images that limit us to familiar ways of thinking and acting” (Senge , 1990). If an individual has deeply ingrained beliefs, for example, about both technology and the role the technology plays within the organization, he/she takes actions based on those beliefs. When those beliefs are negative, the organization is unlikely to achieve the desired impact.

Making decisions based on ill-formed mental models about technology or other subjects leaves the typical small organization mired in inefficiency. Attempting to teach individuals with undiscovered mental models leaves the instructor mired in inefficiency, as well. In order to create a high impact interaction, Agile Training utilizes a survey tool for measuring mental models.

The process of Agile Training is as follows:

- Survey and interview instruments determine the technological and mental model environment of the participating individual.
- Stakeholders identify and prioritize project/s.
- Overall project is broken into smaller project goals/lessons, to be taught in a series of sessions.
- Within each session:
 - The skill/concept is taught using interactive methods. Each skill/concept is noted as it is learned. Instructor is flexible and able to change course if needed.
 - At the end of the session, the instructor assesses all skills/concepts learned on a pass/fail basis. Skills that are not passed are given another instructional cycle in the next session.
 - The instructor then assesses how the learned skills/concepts affect the overall mental model. If necessary, the next skills/concepts are reprioritized.
 - The entire cycle is repeated until skill set is learned or time runs out.
- During the final session, the entire set of skills is assessed once more, in order to ascertain retention over time.

Provided by: R. J. Redden, UNO MPA/MIS student, rhonda.jane.redden@gmail.com

Appendix D

OCF Nonprofit Capacity Building Initiative Logic Model to Guide Evaluation

