

# What Are Three Principles for Building Nonprofit Capacity?

There is not one “right way” to provide capacity-building support because each leader and organization is unique and circumstances are always changing. Grantmakers should keep “The Three Cs” in mind when providing capacity-building support: make it *contextual*, *continuous* and *collective*.

## 1. Make It Contextual

Organizational capacity needs will differ according to a variety of factors such as life cycle stage, program model, geographic location or revenue base. Capacity building must meet the unique characteristics and needs of each organization. Taking a contextual approach to capacity building means designing support tailored to meet the unique needs of grantees. Doing this requires a great amount of trust and relationship building, both of which take time to develop. A key way to build an open, trusting relationship is to be accessible to grantees. Consider how even our application and reporting requirements may impede open exchange.

Recognizing that strong leadership is the most critical capacity for nonprofits, the [Evelyn & Walter Haas, Jr. Fund](#) established the [Flexible Leadership Awards](#) program, which provides long-term, customized leadership support to grantees. Designed out of the recognition that there is no one-size-fits-all approach to leadership development, the award allows the nonprofit board and staff to step back and think expansively about what their organization wants to achieve and the leadership challenges they must meet.

For more information on this topic, see “[Supporting Nonprofit Capacity: Three Principles for Grantmakers](#)” by Lori Bartczak, *The Nonprofit Quarterly*, 2013.

## 2. Make It Continuous

Grantmakers should take a long-view approach to building capacity, because organizational transformations will not happen overnight, and the need for attention to capacity never goes away for any organization.

One-time workshops on fundraising or management, and even many short-term consulting engagements, cannot be expected to produce significant changes in capacity.

Grantmakers who do this work well devote a considerable share of time and resources to capacity building, in recognition that change takes time and dedication. Establish strong and open relationships with grantees helps grantmakers understand grantees' capacity-building needs and allows for frank, ongoing conversations about what's next.

The [Eugene and Agnes E. Meyer Foundation](#), in Washington, D.C., has developed long-term relationships with its grantees, and capacity building is a central part of its work. Rick Moyers, vice president for programs and communications at the foundation, advises funders to take the long view in their capacity-building work.

“Be willing to stick with programs longer than three years,” Moyers said. “While it’s always good to be open to new ideas, funders can sometimes jump from one fad to the next without giving programs enough time to produce results or taking the time to learn from both success and failure. At the Meyer Foundation, we’ve been running essentially the same management assistance program for more than fifteen years. Some nonprofit organizations have used the program many times. The program’s longevity has given us a body of experience that has informed adjustments and improvements over time.”

## 3. Make It Collective

Many grantmakers recognize that taking a collective approach to capacity building can help ensure greater buy-in across the organization, build deeper leadership within organizations and, in some cases, provide efficiencies of scale. Collective approaches to capacity building can happen on a few different levels:

- By focusing on *collective leadership* — reaching beyond the executive director to engage a team that is drawn from multiple levels of the organization. The [Alliance for Nonprofit Excellence](#) in Memphis, Tenn., engages boards and multiple levels of staff in its [Program for Nonprofit](#)

[Excellence](#) to ensure capacity-building work is well integrated into the organization.

- By *working collectively with other grantmakers* — coordinating capacity-building support, thereby streamlining the process and freeing up time for growth. [The Lumpkin Family Foundation](#), in Illinois, provides funding for small grants for board and staff professional development that is matched by four local community foundations.
- Paying attention to the *collective capacity* of the set of organizations that are vital to the issues — whether that set is bound by a geographic area or issue area. [The Washington Statewide Capacity Collaborative](#) is a collective effort of nine funders working to build the capacity of the nonprofit ecosystem across the state.

## Conclusion

By taking an approach that is *contextual*, *continuous* and *collective*, grantmakers will be well positioned to provide capacity-building support in ways that effectively support nonprofits to achieve lasting impact.