CAPACITY BUILDING INITIATIVE
Field Learning Project

WOODS FUND CHICAGO & CROSSROADS FUND
SIDA LY-XIONG
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INTRODUCTION
In 2013, the Crossroads Fund and Woods Fund Chicago, two Chicago-based foundations that support community-based organizing and public policy advocacy, collaborated to launch a joint Capacity Building Initiative. Crossroads Fund and Woods Fund Chicago both have a deep commitment to social, economic and racial equity and value the role small and emerging grassroots groups have in promoting innovative, community-driven solutions. As philanthropic leaders, they invest in efforts led by communities most impacted by poverty and structural racism to address these issues. Both funders have a history of providing grantees with support and technical assistance resources beyond general operating dollars. The Capacity Building Initiative (CBI) seeks to help sustain progressive social, economic and racial grassroots efforts by enhancing operational systems with small and emerging organizations.

This field learning project examines the impact tailored consultations, customized training and support - above and beyond grants - have on grantees' development and their community organizing initiatives. The foundations are interested in enhancing their own capacity building efforts with small and emerging organizations as well as highlighting the role grant-makers can have in supporting grassroots organizing and advocacy.

Small and emerging organizations are in an intrinsic state of evolution. Between individual, organizational and community roles, the concept of capacity and capacity building must be fluid. Organizational development models can offer a guide, but not a pre-determined route, to sustainability. Capacity building with small and emerging organizations is most successful when organizations, with the help of experienced allies, are able to establish an iterative process that deftly shift the organization's
attention between immediate actions and long-term vision. The capacity building effort must hold the tension between these two forces, which can seem at odds with each other.

A driving force in small and emerging organizations is relationships between individuals, organizations and communities. These dynamic relationships can be magnified as grantees, funders, and consultants engage in capacity building. A feedback loop for individual and collective learning establishes mutual accountability and a more balanced sense of power and responsibility for movement building.

A. PROGRAM HISTORY

The Capacity Building Initiative (CBI) supports small and emerging groups active in community organizing and public policy advocacy towards progressive social and economic change. CBI was launched in 2014 after Crossroads Fund and Woods Fund Chicago partnered to more intentionally maximize resources to grassroots organizing groups. Woods Fund supported capacity-building projects in a handful of organizations in 2013, and Crossroads Fund had been offering workshops and trainings tailored to small and emerging groups since 1990. The structure of CBI is based on past work done by both foundations and a scan of similar programs in the Chicago area and nationally. The CBI program has three main components: an organizational assessment adapted for small and emerging groups, individualized consulting assistance, and customized workshops based on grantees’ collective strengths and weaknesses (gleamed from the assessment). Through CBI, grantees engage, reflect, and strategize on policies and practices that may enhance their core work of organizing and advocacy.

Each year, 10 capacity-building grants (of $5000 - $8000) are awarded to small and emerging organizations which provides 40 hours of individualized consulting support towards grantees’ development goals. The initiative enlists experts in nonprofit management and organizational development with a focus on working with small organizations, community-based advocacy,

Woods Fund strongly believes in the need for and effectiveness of including communities that are most impacted by poverty and structural racism in the entire process of addressing issues that affect them. To this end, the Woods Fund encourages and supports organizations and initiatives that promote community-driven solutions.
organizing and public policy. Drawing from their collective experiences, CBI consultants work together to provide tailored project plans and a series of workshops to enhance grantees’ organizational infrastructure over a one-year period.

Generally, CBI grantees have few paid staff and operate with annual budgets of less than $300,000. These organizations actively engage people most impacted by poverty and racism, often employing innovative strategies in their work. Their leadership reflects those who are most impacted by the issues they are working to address, and often have more consensus-based decision-making models. Broad-based leadership with close proximity to issues allows grassroots groups to take the risks of innovation and more deeply understand the impact of inaction. Small and emerging organizations often have limited organizational infrastructure, particularly regarding financial or administrative operations. CBI grantees also have a record of strong community support for their work, including active and involved board members and volunteers.

Since 2014, CBI has undergone slight changes, incorporating lessons and feedback from grantees and consultants each subsequent year. Currently in its fourth year, the foundations commissioned this study to document project strengths, opportunities, and lessons learned from participating grantees, consultants, and the foundations.

B. FIELD STUDY METHOD
For this Field Learning Project, Crossroads Fund and Woods Fund retained Sida Ly-Xiong, an evaluation and nonprofit management consultant based in Minnesota, to engage consultants and grantees who were involved in CBI over the last four years. These direct CBI stakeholders had varying degrees of participation in CBI since its inception in 2013. Stakeholders were invited to share their experiences in the program, reflect on their infrastructure-building projects, and provide context for building organizational capacity and leadership. Using a collaborative inquiry approach, a primary inquiry of this study was identified:
What has been learned through the process of having a team of consultants work closely together to provide individualized tailored consulting small and emerging organizations/grantees?

Throughout the first few months of this study, the project consultant and foundation staff reviewed a scope inquiry from CBI program improvements, the development of nonprofit and philanthropic sector, and movement building work. Publications related to other capacity building programs in the Chicago area and nationally offered insight in lieu of an environmental scan. This study began with a discovery conversation between foundation staff and several CBI consultants. In addition to the primary line of inquiry, this study explores:

What foundation, grantee, and consultant practices can enrich each other’s efforts as they strive to build effective organizations and sustainable movements?

The foundations have supported 10 CBI grantees each year since 2014. From year to year, half of these grantees receive another CBI grant the following year. Since 2013, a total of 31 grants have been awarded to 20 organizations, and all grantees were invited to provide feedback throughout the program. In this study, 14 organizations were interviewed (70% response rate), self-selecting key staff and board members to share their experiences individually, in pairs, and through focus group conversations. Five of six consultants who have provided technical assistance in CBI also participated in interviews (83% response rate) and focus groups.

This study primarily focuses on the CBI program, including a review of CBI reports and materials. Onsite and phone interviews with grantees and consultants were conducted between December 2016 and January 2017. Interviews explored
stakeholders’ experiences in CBI, program components that were most significant in building organizational infrastructure, and whether the CBI assistance strengthened grantees’ organizational infrastructure and community impact. Preliminary findings were shared in a subsequent focus group where consultants and grantees also offered suggestions to improve CBI and insights about capacity building with small and emerging groups.

ORGANIZATIONAL DEVELOPMENT FINDINGS

A. READINESS FOR CAPACITY BUILDING

Invitation and intent matters
Capacity building projects span a wide spectrum of activities from specific skill-building projects to strategic environmental scanning. Identifying priorities is necessary for grantees and funders. While a capacity building project may be intended for a specified timeframe, parties should be clear about their willingness and commitment to invest in overall capacity. Organizations should voluntarily enter into capacity building, though foundations should also be aware that a funder invitation can be hard to refuse.

Woods Fund Chicago and Crossroads Fund begin this process by inviting grantees to participate in CBI, a year-long program with technical assistance and financial support. In early years of CBI, the foundations found that grantees that were required, or strongly encouraged, to participate in CBI did not fully participate or benefit from the program. This may be in part due to the discussion of challenges (and opportunities) and grantees’ sense of vulnerability with funders. In recent years, funders amended their invitations so grantees could freely decline.

✔ Organizations that actively seek capacity-building support are more likely to set and achieve project goals.

Woods Fund awards most of their grants twice a year to support community organizing, public policy advocacy, and intersection of the two. Woods Fund invites arts and social justice organizations to apply, and it offers multi-year funding to support a collective
impact initiative. CBI is a special grantmaking initiative, available to organizations on a limited basis. “This allows [Woods] to bring in organizations that aren’t quite as mature as our cornerstone grantees are. There’s not an expectation that CBI organizations become cornerstone orgs, but we do want CBI organizations to develop organizational maturity to be around for the long haul.”

Crossroads Fund gives small grants to new and emerging groups, providing critical support from the beginning of their work. Along with trainings, workshops, grantee convenings, and policy programs, CBI is part of Crossroads Fund’s approach to supporting innovative organizing models that build strong movements. Crossroads explains, “CBI is and was an attempt to do what we’ve been doing for many years, but more intentionally, helping to build infrastructure around movement. Especially since we work with groups at early or small scale systems.”

The joint effort to launch CBI is an important aspect of the foundations’ commitment to long-term capacity. This was recognized by funders and grantees who advised, “Being situated in philanthropy, work with other funders to maximize resources to groups doing movement building work.”

- **Foundations can lead by example, through partnerships that demonstrate collaborative leadership and commitment to long-term goals.**

As one consultant observed, Woods Fund and Crossroads Fund see a potential for grassroots leadership that “is unique among funders. They do fund advocacy and organizing, and so [they] need to have a long-game strategy.” As a program, CBI builds the capacity of small and emerging groups, and as a partnership, it is intentionally “not duplicating, but having access to multiple resources.”

**Commitment is an indicator of success**

Capacity building for sustainability can seem like extra work on top of small and emerging organizations’ core programs or campaign work. Consultants and grantees alike acknowledge the time commitment needed for the CBI program. At times, CBI grantees’ participation in the program wavered, which affected organizations and consultants. With limited time and staff...
capacity, small and emerging organizations ‘readiness’ for intensive organizational development projects aimed at sustainability can influence their success.

Through this study, some conditions that influence project continuity were suggested as indicators of readiness, including:

- A paid staff person to serve as a project lead (while staff is preferred, an active board or volunteer could also serve this role) and allot time toward the project specifically
- A staff person AND a board member involvement
- Organizations with at least two staff, either full or part time
- Organizations that have clearly identified capacity building goals
- Organizations that are flexible and receptive to external expertise

While a combination of conditions above may improve the capacity building process, throughout the interviews, a different criterion surfaced. Instead of readiness, grantees, consultants and funders all identified a key factor of success is commitment, and willingness to commit, to long-term goals.

A deep commitment or willingness to commit to organizational development, or any process that begin with assessment, is essentially an evaluative practice. If organizations are, or have recently been, engaged in evaluation or planning activities, they have a greater self-awareness of their goals or priorities. If not, an organizational assessment is that opportunity to take stock of their prospects.

- Engaging stakeholders reinforces readiness and willingness for capacity building.

In particular, leaders with recent experience engaging stakeholders have more awareness of their collective future and appreciation for the effort needed to realize that vision. Engaging stakeholders can reinforce leaders’ commitment to capacity building. For these CBI grantees, the organizational assessment can seem redundant at first. Groups that have aspirational operations, not just missions, are more willing to temporarily
suspend a flurry of immediate concerns in order to plan and reach longer-term results.

Organizations’ readiness for capacity building may be a combination of willingness and priorities for organizational development. Equally valuing willingness and clarity, tiers of readiness for CBI can be shown as follows:

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<tr>
<th>GROWING</th>
<th>FINE TUNING</th>
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<tbody>
<tr>
<td>- Unclear long term priorities</td>
<td>- Clear long term priorities</td>
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<td>- High willingness</td>
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<tr>
<th>EMERGING</th>
<th>GROWING</th>
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<td>- Unclear long term priorities</td>
<td>- Clear long term priorities</td>
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<td>- Low willingness</td>
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Organizations in upper right quadrant are seeking resources and support in order to change their systems and build leadership capacity. These groups have capacity and are eager to FINE TUNE their knowledge, skills and abilities. They will leverage the experience of an external advisor and skilled consultant.

Either the upper left or lower right quadrants groups are GROWING. They may struggle to develop a collective vision but their willingness to undergo a strategic process can be extremely valuable. Conversely, even if organizations recognize long-term priorities, they are sensitive to community conditions and may not rather be able to dedicate time to work beyond programs. Consultants ease this by co-creating work plans with achievable goals, and coaching and facilitating processes that “meet people where they are at.”

In the lower left quadrant, groups may be operating at full current capacity. The work these groups accomplish is promising and meaningful. The organic nature of these groups may not need or want structures that confine their work or collective identity. Even groups with long history may be EMERGING as programs and membership continue to fluctuate in size and scope, in tune to community conditions. In particular, EMERGING groups may

We got expertise and experience that we couldn’t afford and didn’t prioritize. We do have a tendency to ignore what we can’t do and don’t have resources for. It takes some of that pressure off. Talking about our structure has been a constant agenda item, but this transformed our conversation to actually doing something about it. -Grantee
require a less organizational framework to incubate programs that adapt to shifting factors.

Funders and consultants agree that growing and emerging groups need more and specific attention.

B. ORGANIZATIONAL CAPACITY FOR MOVEMENT BUILDING

Organizational assessment
Grantees complete an organizational assessment that informs their capacity building work plan for the year. A broad range of stakeholders including, the executive director, staff, board members, and community leaders participate in completing each organization’s assessment, in either English or Spanish. Organizations identify an average of two goals for their work plans. Through CBI, foundations encourage organizations to increase sustainability in typical development areas such as:

- Board development
- Staff leadership
- Nonprofit incorporation and legal status
- Financial management systems
- Fundraising planning and tools
- Leadership structure and decision-making protocols
- Communications systems and infrastructure
- Strategic planning and implementation
- Membership and base building

While widely applicable, the CBI assessment is geared towards community organizing, including topic areas of social change, campaigns and alliances. In addition, CBI grantees distinguish their capacity building efforts by often and openly acknowledging that customary organizational development models may or may not be useful for small and emerging groups. They point to a tendency of organizational models to emphasize conformity to systemic structures that many grassroots groups are actively working to dismantle.
Even CBI grantees who began the program with a clearer sense of organizational development priorities were wary of the assessment process at first. Although these organizations generally benefitted from the assessment process as well. Again, engaging diverse stakeholders boosts commitment to capacity building. Organizational leaders appreciated the intentional opportunity to provide input, and found conversations about development areas with widely divergent opinions most interesting, though sometimes out of scope, for capacity building. These divergent conversations echoed resistance to conforming to typical hierarchal nonprofit structures.

For example, one assessment indicated there was little agreement around staff roles and structure. With just two paid staff and recent turnover, the director felt this was reasonable and reflective of their transition. The project team prioritized member and program outreach over staff restructuring. However, the team eventually addressed opposing viewpoints reported in the assessment while creating clear program outcomes and activities. As the director reflected, “it was a question of form or function,” recognizing that as an organization, they had to focus on campaign work and then support staff to in those roles. While formally, their CBI project focused on defining program outcomes and outreach, strengthening this area improved staff structure as well.

To successfully use the assessment with these CBI grantees, consultants had to ensure that the assessment survey was administered to a wide set of stakeholders, particularly board members and key volunteers. Soliciting a variety of stakeholders to complete the assessment survey opened opportunities to involve more people in the capacity building work. These organizations saw increased ‘buy in’ among stakeholders when they, primarily board and other key volunteers, also participated in the assessment survey and analysis. The assessment provided data that usually reaffirmed staff leaders’ interest in intentional skill-building and uncovered additional areas for growth.

The variety of development areas and the breadth of stakeholders needed to provide input on the assessment were the two assessment components that both presented the most challenges and opportunities for small and emerging organizations. One
grantee commented, “It was really helpful to do the assessment. It did feel a little intimidating, made me feel inadequate as a small org cause some questions don’t always work. It felt like it was for an org with much more staff. For just three staff, we don’t have the luxury of having separate areas for accounting, marketing, evaluating. But it did give us a lot to think about. It gave us a lot to talk about with the consultant to prioritize.”

Leadership development or Professional development
Individual stability affects leadership ability. Professional norms mirror socio-economic class and educational privilege. This is important to remember, especially when working with organizations whose leaders are directly affected by the same challenges and barriers their community face. However, professional norms do not reflect innate leadership ability. This tension highlights two key issues for building organizational capacity of small and emerging groups:

1. Understanding how best to support leaders from communities facing multiple inequities and systemic barriers.
2. Incorporating community members’ collective experience as self-advocates into organizational and leadership structures.

CBI grantees are transitioning from mostly volunteer-run operations to having paid staff for the first time. Organizational leaders, with and without previous professional employment or a degree, may benefit from professional development in nonprofit management. However, professional development is a poor substitute for cultivating existing and emergent leadership within grassroots groups.

Moving through systemic barriers to collective action
As noted earlier, many organizations funded by Crossroads Fund are receiving their first grant. These leaders are attempting to position themselves and their organizations to optimize this financial infusion. While the investment may allow strategic
advocacy in one area, communities continue to struggle with multiple inequities (such as lack of health care, undocumented legal status, housing instability, underemployment, etc).

Community leaders can emerge by sharing their experiences navigating systemic barriers and advocating for themselves. These are not always the same skills needed to manage and administer programs. Grassroots groups are not homogenous and attract a diversity of constituents. As organizations, they are inherently evolving as people shift between self-advocacy, shared strategies, and collective action.

In the first year of CBI, three grantees experienced leadership transitions, which impacted their participation in CBI. One of these grantees explained this as a tradeoff between executive leadership and community leadership. CBI reinforced the director’s role as sole paid staff and lead person on the project. At the time, this added stress made her feel guilty when she felt she was not performing in a professional manner. In retrospect, she felt a lack of shared leadership and an over-emphasis on a particular position delayed their involvement. However, community members continued to see the organization as a valuable resource through a “leadership transition” and, like herself, even continued their activism whether or not they were in a positional role. Reorganizing administrative and programmatic roles between board, staff and volunteers is an expected consequence of transitioning from volunteer-led to having paid staff. Positional changes are a common occurrence for these groups, though it can too often be seen as a failure in establishing strong executive leadership structure.

Another grantee’s approach was, “to be based on our own history and nature of a new organization in terms of governance. We have to value service, not systems.” This community group recognized their relationships evolve, usually faster than they can update into a database. As organizations understand their individual and collective identity better, they may choose not to define their relationships (e.g. clients, trainers, advocates, donors, consultants, that have ability to work with small organizations doing change and advocacy work.
etc.) as a strategy that encourages people to take multiple actions and collective action. Organizational development for small and emerging groups must strike a balance to understand conventional hierarchies and to flex broad-based roots. It highlights the importance of co-creating infrastructure to fit the organization’s own capacity goals.

- Organizational development models can offer a guide, but not a pre-determined path, to sustainability for grassroots groups whose leadership is based in communities most impacted by poverty and structural racism.

Capacity building can encompass a variety of goals and intentions. Organizations, consultants and foundations should clearly understand their own intent, while acknowledging that there may be several goals: to develop sustainable nonprofits, to connect marginalized communities, or to incubate community leadership. These goals are not at odds with each other, but the distinctions and balance between them may shift among stakeholders. In this context, the concept of capacity must be fluid between individual, community and organization.

Our consultant was very targeted, responsive, and understood the work we were doing. It was important she have this background. There’s no learning curve.

- Grantee

C. CONNECT LEARNING AND DOING, DEPTH AND BREADTH

Benefits of a cohort of consultants

Consultants are invited to CBI and bring a special combination of nonprofit management expertise and experience with small and emerging groups. Grantees also want consultants that have familiarity with their community and the context of their policy advocacy and organizing work.

Each CBI organization is paired with a consultant, and the consultants work together to share resources and to provide workshops to all grantees. Individual consultations help focus the project work on the organization’s strengths while workshops offer a wider set of topics and tools the organization may consider.
Working as a cohort, CBI consultants are able to bring their best collective thinking to capacity building. Grantees and foundations benefit from the consultant cohort, as do cohort members themselves. One CBI consultant had very little previous consulting experience, but had deep expertise working in and with community organizing and advocacy. In this incidence, the consultants’ collaborative approach with each other as an ad hoc cohort helped maintain consistency among consultant-funder-grantee expectations. Operating as a cohort, CBI consultants are able to talk about grantees, troubleshoot, and share materials. Consultants and funders alike agree, “It is a great space to think through the program overall. The foundations depend on the consultants to guide the growth of the program and deliver the program overall.”

Some grantees had no previous experience using consultants, but as one such grantee observed, “it’s very powerful to be able to work with more than one consultant.” CBI’s combination of tailored consulting and variety of workshops led by a variety of consultants allowed organizations to see scope and depth of capacity building opportunities. A greater connection to external initiatives, related to their core work and in the nonprofit sector generally, added context to their own capacity building goals as part of a larger trajectory of organizational development. Even though organizations are working on different organizational goals and priorities, one organizational leader commented that being among peer organizations and a variety of consultants “reminded us of what we already knew, but forgot.”

Most organizations appreciated the mixed format of CBI, tailored consultation and workshops. Consultants found that working together to provide workshops and share opportunities created efficiencies that helped connect grantees to other resources. This was particularly true when one consultant researched a variety of membership models to provide restructuring options. Although originally intended for a specific capacity-building project, when developed into a peer-learning workshop, grantees unanimously found the co-learning process extremely useful. Foundations agree the cross-pollination of ideas, resources, and collective
thinking about capacity building from consultants are extremely valuable.

✓ Processes that include a significant component of co-creation and co-learning, strengthens movement-building infrastructure as a whole for organizations, consultants and foundations.

For foundations, engaging a pool of consultants does mean more work. Interacting with individual contracts and collective thinking is “a work in progress. It has to be managed,” funders say.

The emphasis of CBI is on nonprofit organizational development. Strengthening one or two operations requires individual leaders to gain knowledge, skills and abilities. More importantly, individual leaders increase confidence in their decisions, deepen understanding of their core work, and are better able to tap into their networks. “Conversations start operational, but we quickly move to strategic [discussions],” commented one consultant working with multiple CBI grantees. Grantees agree, “The more solid you are as an organization, the more impactful you are as a leader.”

✓ Loose structures and consensus-building in small and emerging organizations allows organizational development in one area to stimulate growth across the organization, improving overall resilience.

At one organization, all staff members were residents of the community “with all of the benefits and complications that brings with it,” as one consultant explains. The need for consensus-building is often grounded on a shared understanding of many concerns, external constraints, and options. The project team with the consultant anticipated and planned for the process moving slower than action planning typically might, “but in fact it went a little slower than even that,” said the consultant. However, in the process of engaging and deliberating with multiple stakeholders in this consent-building planning approach, the strategies developed
went beyond programmatic action steps, to include staff
development, sustainability, evaluation, technology and
communications. The capacity building work compelled resident
and staff stakeholders to think about their work in a much deeper
and more comprehensive way.

Capacity building can focus primarily on organizational growth.
Though organizations often start with volunteers, once
administrative and financial systems are required, processes that
need frequent attention or specialized skills transfer to staff. The
role change and added procedures can lead to lack of
transparency or clarity with board members, volunteers, or other
community members. There is a consistent need to clarify roles
and distinguish between staff and volunteer responsibilities in
small and emerging organization’s operations. However, the
change also allows board, staff and volunteers to reinvest time
and energy in the areas where they can have the most impact,
increasing overall organizational capacity.

Balancing immediate concerns and long-term priorities
Grassroots groups are a trusted resource for residents
marginalized from mainstream systems. While these community-
based organizations seldom have capacity to address the range of
constituents’ concerns (e.g., multi-lingual access to schools and
housing, employment abuse, legal status, etc.), they often
operate as a systems navigator, connector, and social support for
individuals and families dealing with immediate needs and
systemic barriers.

- **Capacity building can help organizations put responsive
  programs in context of longer-term systems work so that
direct service work is not at odds with community
  organizing and advocacy.**

Some organizations function as ad hoc stopgap service referrals or
case managers in these systems. This allows the organization to
learn from constituents most directly affected by their issues.
However, it also keeps these organizations in a social service role
that is very resource-intensive, for which they may or may not be receiving funding to perform. On a regular basis, staff feel an urgency of immediate consequences for organization’s constituents and need to maintain the integrity of their relationships.

Consultants must work with patience and persistence to guide grantees toward project goals. Together, they consider an organization’s ability to respond to urgent constituent concerns. Consultants that integrate this into the capacity-building plan can help grantees develop a systems change approach by learning from their constituents’ struggles. Project goals reflect small and emerging organization’s need for intentionally adaptive and responsive structures. One CBI work plan listed these goals, for example:

- **Determine how to implement the leadership institute with a balance of theory and practice and connect it to real work.**
- **Design a new staffing structure to reflect thoughts about early implementation and growth over time.**

The combination of observation, inquiry and documentation is time-consuming while decisions still need to be made. The consultants help shift the focus between practices and aspirations, developing intermediate alignment processes that can have long-term impacts. Consultants can facilitate critical thinking and introduce practices that help leaders balance short and long-term goals.

A benchmark indicator of success for CBI is the adoption or development of flexible infrastructure policies and practices that allows grantees to address an immediate concern while positioning them to meet a long-term goal. The organization must balance these demands, and intentional technical assistance can uncover and leverage opportunities that the organization may not be aware of, internally or externally.
A majority of CBI grantees point to one on one consultations, particularly given consultants’ experience with small community based organizations, as the most important factors for success.

- **Organizational development has to be responsive to small and emerging organization’s pace of change, constantly re-balance the focus between immediate needs and long-term goals.**

For some small and emerging organizations, an emphasis on sustainable organizational development is secondary to their impact in immediate community conditions and vice versa. Over the last few years, two CBI grantees have merged, as their work, community priorities, and organizational structures evolved. While the merger happened outside of CBI, it is important to note that this evolution was a response to internal and external factors they explored through CBI. Not all small and emerging organizations are focused on building nonprofit infrastructure.

Previous CBI program evaluation highlighted that grantees faced ongoing challenges in capacity. In addition to grantees’ limited organizational infrastructure, grantees found it difficult to manage capacity building work and their program and campaign work. With few or no paid staff, CBI grantees are caught in a contradiction of being effective at rallying supporters and not being able to return calls or emails in a timely manner. One consultant observed that many staff juggle routine and strategic duties; there is a true need to prioritize certain program work. Making time to identify priorities would allow staff to be more responsive to daily tasks.

Organizations of all sizes need to prioritize in order to be effective. However, the decision-making process in small and emerging organizations is often unclear, though frequently rooted in consensus building among a wide variety of constituents. A skilled consultant can help the organization step back, facilitate planning and prioritization, and enable leaders to be more responsive in the future.
CBI consultants have noted that grantees’ strong relationships are a centerpiece of accountability, and while relationships enable these organizations to do many things, consensus-based decisions are time-consuming. The consultant must take time to build a personal and professional relationship that they can leverage to ensure accountability for moving the capacity building work plan forward.

**Innovative and Responsive Processes**

Focusing the capacity building work to one or two development goals does not mean the work is limited to these areas. As one consultant noted, the challenge with so many growth opportunities is to “try not to do more than [the organization] is able because there are so many needs.”

A consultant that is able to define and document a leadership team’s practice-based decision-making process can illuminate their governance structure. This helps organizations intentionally develop processes and procedures that can then be consistently implemented, shared, and revised as needed.

- **Capacity building is most successful when the consultant and organization are able to establish an iterative, co-creative process where they both learn by doing.**

  “It never feels like it is linear. It needs to be systematized but also regular part of the work,” explains one grantee. Consultants support grantees “to do their core work while allowing these organizations to do it in the way they need to – crossing the T’s and dotting I’s to make it possible to do their core work. It’s a much richer conversation, and consultants in the [CBI] pool are very aware of this.”

  - **Strengthening one area improves overall organizational capacity.**

---

*Grantee*
CBI grantees leverage consultants’ broad-based knowledge to develop leaders and improve operations. Board training on fundraising for one grantee not only increased board members’ skills in meeting with donors and grant makers, it re-emphasized the need for strong communications tools. A new website, email and print newsletter and other promotional materials complemented fundraising efforts. Working with the board on fundraising stimulated the organization’s communications capacity and raised overall organizational visibility.

While organizations may have limited “business” infrastructure they employ innovative and responsive strategies in their work that can be a basis for growing their network and increasing impact.

Small and emerging organizations are at the intersection of responsiveness to community conditions and systems-level advocacy. The strength of these organizations’ advocacy efforts are rooted in their ability to elevate community concerns and constituent leaders.

Operating with limited financial resources, organizations rely on unconventional, community-driven solutions. One small and emerging grantee was actively convening a steering group of partner-members to guide their advocacy work. The grantee was quickly developing a role as community expert and advocate. While working under a fiscal agent sponsor, some partner-members saw the grantee not as an organization, but as a loose coalition. CBI work to strengthen the grantee’s governance and legal structure helped solidify its position as a coalition coordinator and provided greater clarity and accountability for its board and partner-members.

**MOVEMENT BUILDING RELATIONSHIPS**

Healthy tensions support shared accountability

Many of the same tensions grassroots organizations have about conforming to typical organization hierarchies exist in capacity
building relationships. These include the perceived legitimacy of nonprofit management structures, accountability for progress, and degree of shared values. Grantees, consultants and foundations have a triangular relationship holding these tensions with each other, and at times, among their peers. “It’s always challenging working in partnership. There’s more thinking, compromising and discussion,” a funder notes.

There are so few organizations that are interested in advancing advocacy.

The clearer we get about our work and how we do it, the less confusion there is in our funders’ and stakeholders’ minds.

- Grantee

Consultants assess the content and program arch of CBI. A funder acknowledges, “[Consultants] are the core engine of intervention and impact; they are critically important.” One grantee director specifically pointed out that the CBI consultant helped hold him to work plans they developed together. When co-creation is robust, the capacity building effort can be a strong force for accountability that is not funder-driven.

Each stakeholder group has a role and self-interest that is affected by their counterparts’ roles and self-interest. Though simplified, here is an example of nuanced interests particular groups may bring to increase collective accountability:
Each stakeholder group’s priority does not conflict with the others, though there may be tension if one priority or perspective is emphasized at the expense of others. In fact, their goals are interdependent, and this triangular relationship of roles and goals invites learning across all groups. Working with consultants gives foundations insight that they would not otherwise receive because of the power dynamics with grantees. While there is more clarity, foundations say they “have learned that it’s hard to create feedback loops especially when we are trying to respect confidentiality.”

Instead, the triangular relationship establishes at least two dimensions of accountability for each stakeholder and a more balanced sense of power and responsibility for movement building.

**Eco-system support for self-determination**

It should be noted that there is an assumption of the importance of building trust among stakeholders, grantees, consultants and funders underpinning the findings and recommendations of this study. Trust is essential to working effectively with small and emerging organizations, and it is no less valuable to consultants or foundations.

For communities impacted by poverty and structural racism, capacity building partners (consultants and foundations) must strive to understand the organizations’ political ideology and other contextual factors.

CBI grantees strive to center community-driven work to address immediate and systemic barriers in their capacity building work. This includes utilizing consultants and foundations as partners to help them clarify and describe the importance of their work. “There are so few organizations that are interested in advancing advocacy. The clearer we get about our work and how we do it, the less confusion there is in our funders and stakeholders’ minds.”

*While some procedures and protocols might be needed, [grantees] recommend that they not be asked or guided to mirror corporations.*

- 2014 CBI Report
✓ A clear and shared understanding among grantees, consultants and foundations about organizations’ right to self-determination is necessary.

Grantees’ efforts toward organizational development through their participation in CBI, depends on their trust that capacity building support self-determination. Otherwise, organizations may continue to question the nature of the program, “Is the goal to get us all up to all the parts of the org assessment? Are we aspiring to that as a measure?”

It’s important the consultants reflect the organizations’ communities; they have to come with that social justice lens.

- Funder

Contextual Relevancy and Cultural Humility

Typical organizational development models tend to lean into planning and management skills. CBI consultants are valued by foundations and grantees for their ability to work beyond these basics. CBI makes room for different leadership styles as well as organizational structures, and does not prescribe: “this is what it means to be a good leader, organizer, etc.” CBI grantees interviewed clearly gained confidence in their abilities and felt consultants and foundations valued their community-based work.

Consultants and foundations must enter into capacity building relationships with grassroots, community-based groups with cultural humility. Grantees and consultants noted the way organizing takes place in Latin American communities are rich in the tradition of organizing but has to fit into a new context (in the United States, and Chicago in particular). As one grantee pointed out, “there’s more to consider: what is and isn’t applicable or adaptable, merged with North American models of organizing. That is a very small pool of people that understand that or could wrap their heads around that.” A necessary step may be to add consultants with bi-lingual and bi-cultural expertise.

Managing new relationships and continuing relationships

Consultant Cohort

While CBI consultants have worked well together, the cohort is currently at six consultants. Few consultants have the combination of skills and contextual experience working with
smaller groups. Some consultants are much more versed and interested in moving the field and movement building than others. They are invested in the structure of CBI and the trajectory of the program, as well as pushing organizations to meet their work plans. However, this tension between organizational development and movement building may or may not be shared by individual CBI grantees. When it is, the synergy to go above and beyond the CBI program is unique and opens many opportunities, though part of this passion may be tempered by the program itself (payment, time, expertise areas).

The process of adding consultants to CBI is therefore critical. True to the value of self-determination, individual consultants have taken initiative to explore and expand the consultant pool through subcontracting. This practice varies by consultant and project needs. While foundations may want to have very collaborative relationship with consultants, this subcontracting may present challenges to working in partnership.

Although grantees have mixed feelings about the immediate application of topical workshops, they generally agree that workshops help them “get a broader sense of what’s possible” and “get to know consultants that can assist in other areas.” This exposure and relationship building is important for organizations that have never worked with a consultant before. It prepares groups in the emerging and growing stages for ongoing program improvement.

Grantees and foundations have indicated an interest in adding to the consultant cohort, which may need to be a co-creative process (evaluating and inviting). Grantees in particular, benefit from the breadth of expertise the CBI consultant pool offers. The ability to work with more than one consultant is extremely valuable.

Grantee continuity
The foundations have supported 10 CBI grantees each year since 2014. From year to year, half of these grantees receive another CBI grant the following year. Since 2013, a total of 31 grants have been awarded to 20 organizations. 10 organizations have received
CBI grants two years in a row, and three additional organizations will be receiving three consecutive CBI grants.

A funder observed, “The first year grantees receive funding, it becomes apparent whether or not they would have capacity and interest to continue if invited to apply for CBI.” CBI grants do not start as multi-year awards. The program contracts consultants for a 12-month period to provide one on one assistance and topical workshops. While the program is not structured as multi-year funding, continued support is needed to assist grantees to reach the next stage of their capacity building work.

CBI grantees receiving support in successive years are in the fine-tuning or growing stages. “It’s a constant learning process, a cycle of creating, evaluating, checking it again,” explains one grantee who has participated in CBI for two years.

It is common for CBI grantees receiving multi-year funds to incorporate lessons and materials developed from other grantees into a subsequent work plan. Peer learning among grantees and in the consultant cohort contributes to this. CBI offers a unique opportunity to create and test capacity building tools and tactics. From year to year, grantees are able to fine-tune goals and strategies, and consultants are able to fine-tune the tools they co-develop. This is a significant advantage for all stakeholders and can build the field.

Another aspect of the multi-year support is grantees’ limited capacity to fully utilize consultants’ expertise. This might appear as a lack of willingness but can also be due to real constraints on a few (or no) staff. Grantees may be making steady progress on some aspects of their CBI goals, however it simply takes time to move through a learning curve to plan and implement systems. Coordinating logistical aspects of the work can be time-consuming and probably the most frustrating aspect of the program for consultants who may also feel their expertise is underutilized.

**Partnerships, Peer Learning and Systems Thinking**

A common, and often essential, component of small and emerging organizations’ policy advocacy and organizing work requires partnership with other agencies and advocates. This is
included in the CBI assessment topic areas of social change, campaigns and alliances. This study intentionally explored peer learning models. However, it became apparent that organizations have a wide definition of “peer.” Most grantees talked about learning from “partners” and working in “partnerships.”

In terms of partnerships, almost all grantees indicated that the capacity building assistance they received accomplished one or more of the following:

- increased their ability to contribute in a partnership,
- positively impacted their partnerships, or
- helped them explore possible partners.

Though not a direct CBI project goal, this is a significant finding. In addition, many CBI grantees increased grantees’ confidence in systems thinking, in part due to advocacy and organizing partnerships. However, when asked specifically about the role of CBI to initiate or support partnerships through peer learning, grantees were cautiously optimistic.

Formal and informal coaching with consultants, trainings and other interactions with CBI grantees, helped organizations better understand the field of movement building work and systemic influences on their work. This is a practical prelude to developing strategic internal protocols and a clearer path to address poverty and structural racism.

Grantees unanimously said interactive discussions, particularly with other grantees, were the most useful aspect of topical trainings. Almost all grantees said the one-on-one consultations were the most beneficial component of the CBI program overall. Further, if grantees were able to dedicate more time or resources to the program, most would prefer to have more time to deepen the one-on-one consulting. This does not mean they would not also benefit from reformatting training agendas to add more peer to peer learning, again with the caveat that “peer” is loosely defined.

Some CBI grantees, particularly those receiving multi-year grants, demonstrate more interest in increasing or maintaining
partnerships with foundations outside of their direct financial support. Participation in CBI, because of the triangular relationships and peer relationships (within each group of grantees, consultants or foundations), facilitates increased systems level awareness. The structure of CBI contributes to greater systems-thinking and enhanced collaborative work among all stakeholders.

Peer relationships take time to build. The relationships are most meaningful if they are well-matched and given support to evolve as the organizations grow. This also had implications on what a “peer” is at the organizational level, whether it is a team of leaders or individual executives.

**CBI PROGRAM RECOMMENDATIONS**

Encourage use of the organizational assessment survey and/or related tools to support readiness before applying. CBI grantees and consultants agreed that the assessment tool and process was a useful for building their CBI work plans. Grantees in particular feel the assessment would be relevant beyond the CBI program year and can be used to map later organizational development efforts.

Foundations could encourage potential CBI applicants, with an invitation to apply, to consider self-administering or discussing the organizational assessment with one or two key contacts. While a self-administered assessment would not replace this component of CBI, organizations that went through some prior reflection and engagement were more ready to commit to longer-term capacity building work. Also because the CBI application asks organizations to identify capacity building goals and priorities, several grantees commented that it made more sense to do an assessment earlier. This self-administered step may help alleviate some of the consultants’ time in logistical coordination for this component of CBI.
Multi-year evaluation capacity to reach and sustain fine-tuning stage
Organizations receiving multi-year grants are likely to move from a growing stage to fine-tuning processes toward strategic goals. With repeated consultant assistance in performance improvement and planning, organizations are using, developing and implementing internal evaluative processes. It may be beneficial to develop consistent indicators of internal evaluation capacity that may be a guide for CBI consultants and grantees who receive two or more consecutive grants.

Consultant cohort capacity, and managing consultant – CBI program capacity
While both Woods Fund and Crossroads Fund has offered capacity building opportunities before launching CBI, as a program it needs administrative infrastructure. Consultants and foundations continue to learn and incorporate feedback into CBI annually, however the triangular relationships between stakeholders and within each stakeholder group can be better managed. The program may benefit from a managing consultant who is able to treat CBI like other emerging groups. As with other CBI projects, the position would entail advising and managing the work (with foundations, consultants and grantees) using a similar values around co-creation and collective self-determination, while balancing short and long-term goals. The consultant in this role may change from year to year, offering the emergent program new insights and different skills. This may also offer an avenue for new consultants to join the consultant pool, thereby increasing the depth and breadth of the program and consultant cohort.

Learning as Partners (not Peers)
Many organizations and all consultants, felt that the peer learning activities over in the last two years have been useful to stimulate specific strategies and long-term analysis. However, there are few intentional or specific examples of CBI peer learning activities. In order to emphasize “peer learning” strategies that would be most beneficial, stakeholder needed to have a common understanding of this commonly used term.
Upon deeper exploration, there was strong consensus that what organizations seemed to really want is increased partnership – opportunities to work with and learn from: their consultants, foundations, other organizational leaders, similar-sized organizations, organizations working in similar fields or communities, organizations with more or different experiences, constituent leaders, and other experts.

While the benefit of peer to peer exchanges promotes cross-pollination of ideas and activities, there was no consensus on a strategy that would work best for CBI. With ten organizations participating each year, the idea of “peer” would likely need to be widened to include past CBI grantees, possibly other Woods and Crossroads grantees, and/or organizations that were not affiliated with the foundations but had similarities. Also, foundations may consider their participation (beyond the financial support) in this learning community. This recommendation is detailed below.

**Increased role of foundations**

A final recommendation was offered to the foundations by more than one grantee and consultant. Crossroads Fund and Wood Fund could enhance their role as partners, if not peers, in advancing the field of community-based organizing and grassroots advocacy. All stakeholders acknowledged the importance of the financial investment, while relatively small, significantly impact emerging organizations and their constituents. Moreover, foundations have valuable expertise and are able to create a platform to share not only their wisdom, but share grantees’ expertise. By acknowledging grantees’ efforts and by working in partnership, foundations are already elevating small and emerging organizations to some degree in the public and nonprofit sectors. These efforts are commended among CBI stakeholders, and continued collaborative work is welcome and valued.

**LESSONS FROM THE FIELD**

The values underpinning the CBI, particularly community-led advocacy and partnership, is unique and highly valued among
organizations and consultants. Both groups reinforced the value of the program in creating and maintaining active resident involvement through associations and groups of all kinds is an important feature of strong communities. The community-led approach is also echoed in parts of the CBI program through the relationships between consultants and organizations, grantees and funders, and consultants and funders. While the roles are distinct, the initiative elevates collective goals through this triangular relationships. It opens mutual accountability, or at least, multidirectional accountability, essentially re-centering organizations, individual leaders (including consultants) and funders on community-responsiveness.

CBI does this by:

1. Engaging grassroots groups and their constituents via consulting support
2. Enhancing organizations’ exploration of internal and external pressures and potential solutions
3. Investing resources (human capital and financial) to problems and solutions prioritized by people most impacted by poverty and structural racism

Systems perspective is essential and difficult for groups at the intersection of individual basic needs and institutional political power. The body of social capital research makes a strong case that local nuances and differences in community networks and their cultural and political norms can make a difference in a community’s ability to thrive within a broader context. Although enhancing the capacity of nonprofit groups is not synonymous with building healthy communities, there are important linkages that need to be explored and strengthened.

Understanding the external environmental forces and a community group’s unique niche paves the way for effective action. Efforts like CBI are critical in building the capacity of nonprofit organizations and can be viewed as an important strategy for building civil society in local areas and influencing broader public policies.

- Grantee

Now I am more conscious and plan more for what’s ahead instead of just doing the day to day.
In addition, as a funder partnership, by examining capacity building with this niche perspective and agreeing to work collaboratively, grant-makers can reinforce their own work, each other’s efforts, and the field of philanthropy. In the end, they will know more about what works, what does not work, and why, within dynamic evolution of grassroots groups.

The CBI process, particularly the co-creation of the program with consultant, grantee and funder engagement, results in a multi-layered, results-oriented program. It is through this dynamic process that organizations, like people, learn to adapt and grow to their full potential.

This multi-bottom line process exemplifies the tensions and trade-offs that individuals and organizations face when adapting to change. It is likely essential to maintaining a robust and effective grassroots sub-sector of the nonprofit community.
LESSONS FROM THE FIELD

✓ Organizations that actively seek capacity-building support are more likely to set and achieve project goals.

✓ Foundations can lead by example, through partnerships that demonstrate collaborative leadership and commitment to long-term goals.

✓ Engaging stakeholders reinforces readiness and willingness for capacity building.

✓ Organizational development models can offer a guide, but not a pre-determined path, to sustainability for grassroots groups whose leadership is based in communities most impacted by poverty and structural racism.

✓ Processes that include a significant component of co-creation and co-learning, strengthens movement-building infrastructure as a whole for organizations, consultants and foundations.

✓ Loose structures and consensus building in small and emerging organizations allows organizational development in one area to stimulate growth across the organization, improving overall resilience.

✓ Capacity building can help organizations put responsive programs in context of longer-term systems work so that direct service work is not at odds with community organizing and advocacy.

✓ Organizational development has to be responsive to small and emerging organization’s pace of change, constantly re-balancing the focus between immediate needs and long-term goals.

✓ Capacity building is most successful when the consultant and organization are able to establish an iterative, co-creative process where they both learn by doing.

✓ Strengthening one area improves overall organizational capacity.

✓ While organizations may have limited “business” infrastructure they employ innovative and responsive strategies in their work that can be a basis for growing their network and increasing impact.

✓ A clear and shared understanding among grantees, consultants and foundations about organizations’ right to self-determination is necessary.
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