

Nonprofit Capacity Building Needs Assessment Community Development Organizations - Conversation Summary

Sharon Lezberg, UW Extension-Dane County
Distributed 2/17/2021

Introduction: Nonprofit Capacity Building Needs Assessment

The ability of nonprofits to have a positive and lasting impact depends largely on their organizational capacity, the skills and training of staff, and the availability of resources needed to support programs. Extension-Dane County and Madison Community Foundation hosted a series of conversations with leaders of non-profit organizations to understand the needs for training and capacity building, as well as the resources currently available to support the non-profit sector in Dane County. We focused our research in four mission areas (which correlate with Madison Community Foundation's grantmaking focus areas): youth out-of-school-time, environment, arts, and community development. The results of these conversations will inform non-profit serving organizations and suggest ways that funders, educational support organizations, and consultants can help to address gaps that are identified.

This report is a preliminary summary of findings from community conversation with leaders of organizations that focus on community development. The conversations, originally scheduled as in-person round table discussions, were held via zoom calls on three dates - 3/16/2020, 4/13/2020, and 4/14/2020. While the original gathering was scheduled before the onset of the coronavirus pandemic, the community conversations for this sector occurred at the onset of 'stay at home' orders, hence were conducted virtually via zoom. Given the disruption to organizations and operations at that time, we scheduled three virtual gatherings so that participants had options to attend. Even with three gatherings, the numbers participating were less than half of the original number of participants expected, with 16 participants representing 15 different organizations. We felt it essential to hear the voices of leaders in this sector, even while recognizing that most organizations were in a period of adaptation and pivoting to meet community needs.

The analysis draws primarily from these three community conversations, with supplemental information from the pre-gathering survey and additional informal conversations with sector representatives. A full report will identify common themes across the four mission areas.

Adjusting to Uncertainty: Immediate Repercussions from the Coronavirus Pandemic

Covid-19 caught everybody off guard - there was no way any organization could have predicted the ways in which operations would be curtailed, altered, or thwarted by this pandemic. To an amazing extent, organizations pivoted rapidly to address the needs of the community, and found ways to alter their operations so as to continue providing services and keep staff on board. While the economic, social and health impacts of the pandemic have meant that funder resources have

been diverted to immediate needs, already existing community challenges and needs still persist. Throughout the pandemic, nonprofit community development organizations have been providing essential services to community members while maintaining mission-focused operations. For many, the increased demand has meant postponement of staff training, long-term planning, and organization maintenance activities.

Several of the early lessons from the pandemic are detailed below.

- 1) Staying up to date with technology infrastructure and use of technology matters. Those organizations that were already using distance communications, virtual platforms, and collaborative technology platforms were best able to continue operations with minimal disruption. Member organizations that met in person have had to dedicate time and resources to equipping and training members on how to use technology to get the work done. Organizations that are resistant to technology dependence are finding inequities in workload distribution.
- 2) Team building is always beneficial; when done prior to a crisis, the benefits are double. One organization reported having focused on organizational team building and planning prior to the pandemic lock-down. Employees understood one another's communication and work styles in a face to face work environment; this helped employees to support one another while working remotely. The collaborative organizational culture that was developed prior to the pandemic persisted despite distant working arrangements.
- 3) Information sharing between organizations can be essential to avoid countless hours of duplication. For example, most organizations had to develop a Covid response plan; those that were able to use existing templates minimized the work of researching and developing a plan. This is similar to emergency planning and emergency response protocols - to the extent that organizations can use open source materials, and provide materials to the repository, everyone gains. Resource sharing via crowdsourcing - for standard documents and policies beyond emergency response plans - was suggested as a way to address this opportunity.
- 4) Several organizations learned that remote and virtual operations could, in some cases, increase efficiencies, particularly those organizations serving clients in distant locations. While there can be savings in staff time by operating virtually, most organizations expressed frustration with the limitations of virtual only programs, particularly when serving populations for whom English is not their primary language, and for people who lack access to technology (computers, broadband, knowledge of how to operate software).
- 5) Structural challenges (such as lack of coordination between organizations that serve the same clients) - many of which existed prior to covid-19 - became more obvious with the shift in work habits and client needs. Organizations collaborate and coordinate where possible, but there are rarely set protocols for this. Several service oriented organizations mentioned the lack of communications and coordination with other service providers, which can result in duplication of services or gaps in service delivery. In Dane County, where there are many service providers, nonprofit organizations, and government entities

addressing community issues, it is difficult to know who is doing what, much less to maintain communication with multiple entities.

- 6) The pandemic has necessitated changes in the way that audiences are served. For direct service organizations that help people in need, intake procedures have been reduced in order to limit contact time while accessing services. This has resulted in greater flexibility and fewer logistical requirements. Simplifying processes can have multiple benefits.
- 7) Changes in practices have led to changes in people's relationships. Organizational leaders have recognized that people are under greater stress, and that attention to staff well-being (increasing communications, taking time to check in at meetings, reevaluating expectations, providing flexible scheduling options) are critical at this time. Crisis affects people differently, and managers must be attuned to how individuals are adjusting to isolation, changing work practices, and other stresses.

Preferred Professional Development Training Delivery

Survey responses indicated that most organizations support staff professional development, but that many organizations do not have funding for training or conferences. When asked where they are receiving training on organizational management, most indicated that they are learning on the job and through conferences. Note that conferences typically address sector specific issues, and have less focus on organizational management. Some nonprofit executives come to the job with a degree in management, others receive training from professional organizations (such as The Management Center). Most professionals are piecing together professional development in executive management from an array of local and national resources.

Conversation participants and survey respondents, when asked about preferred training formats, expressed support for local training programs that engage professionals in facilitated peer learning environments. Peer learning models promote sharing of expertise and allow for challenging conversations. Ideally, peer learning would lead to peer networks and peer mentoring.

Traveling for professional development training has - in the past - been the norm, yet discussion participants preferred local programs, due to limitations on time and financial resources. While it is uncommon for several people from the same organization to attend a training event, implementation of new ideas is difficult unless a critical number of staff members share an understanding of why and how to incorporate new thinking and processes. Local training opportunities would make it easier for multiple people from an organization to participate.

While webinars are easy to access, they do not encourage engagement, nor do they provide space for participants to engage in conversations about challenging issues. One participant mentioned that deeper conversations with peers (in facilitated peer learning discussions) could lead to greater accountability in implementing changes or innovations that have been discussed. Local training activities that are held in person also must provide accommodation for child care, work schedules, and other barriers to access.

A theme in some of the discussions was how the experience of People of Color tends to be undervalued in leadership training programs. The expertise that leaders of color have and share, grounded in diverse backgrounds and lived experiences should be amplified in peer learning communities.

While on-line training has become commonplace, even one month into the pandemic we heard concerns about 'zoom burnout' - the fatigue that arises from interacting over virtual spaces where common social cues are missing. Participants in a training program will need to feel that what is being offered is very relevant and important in order to dedicate additional time to on-line meetings (in-person as well). Learning (especially using on-line platforms) should be "easily digestible, efficient, and accessible in small pieces."

Professional Development Priorities for Community Development Organizations

At all times, nonprofit management staff, front-line staff, board members, and volunteers benefit from prioritizing professional development and training. Our survey asked respondents which training areas would be beneficial to management staff. The survey indicated that the following areas were regarded as highest priorities: 1) staff management and support, 2) strategic planning, 3) fundraising (tied with 3) Racial justice and inclusion, 4) budgeting and financial management, and 6) program planning and evaluation. During the virtual community conversations, the following topics were highlighted (listed by audience; these are not listed in order of importance):

Management Staff:

- **Change management:** at times, organizations will go through either a slow or abrupt need for change (usually in practices, programs, or organizational culture rather than in mission). Shifts in organizational culture can be difficult for staff and board members, particularly those who have served for many years. Rapid shifts, as those necessitated by the pandemic, can be challenging. One participant noted that their organization had a long history of doing things a particular way. They are now in a transition period that has necessitated improving technology and incorporating new skills in order to move forward. This has been difficult for many in the organization.
- **Development/fundraising/budgeting:** Skill in these areas are critical for any well managed organization. Volunteer-run boards benefit when board members are also trained in these areas.
- **Racial Equity and Diversity:** Management staff set the tone for the organization. Participants shared that there is an ongoing need for more culturally competent management. Training in racial equity should be embraced by management staff and made available to the whole team. Management staff need to be familiar with - and implement - equal opportunity and affirmative action practices.
- **Team building;** smaller organizations can be less hierarchical than more established, hierarchically arranged work places. For both types of organizations, team members benefit from training in workplace culture, work styles, and communications.

- **Infrastructure Efficiencies:** It is easy to keep trudging along with outdated processes and systems, especially for organizations with minimal staff and budget limitations. The pandemic exposed that there are benefits to updating infrastructure and operations regularly, so as to be prepared for the unexpected. One organization hired a long-term consultant to work with the organization to evaluate infrastructure and to implement improvements. They noted “we were able to figure out a huge spreadsheet system that creates more efficiency for the caseworkers. I imagine that every nonprofit could benefit from people having time to address staff needs and process efficiency.”

Front-line staff:

- **Trauma-informed care:** Front-line staff (those working directly with clients) need to be trained in trauma-informed care, as well as self-care. While trauma informed care practices have become increasingly standard, organizations need to keep renewing the training that staff receive, particularly in light of increasing stress that many households are experiencing.
- **Self Care:** Front-line staff may be dealing with individuals and families in crisis; self care practices are important to assure that staff do not absorb trauma themselves.
- **Community Organizing:** organizations that work to build community action benefit from training around community organizing and leadership development.
- **Racial Equity:** Organizations must practice their values by providing training for staff and volunteers in cultural awareness and racial equity. Staff at one organization were supported to participate in an external training program that allowed for individual and group learning and reflection. On-going training is necessary for new staff and volunteers, but challenging from a cost perspective.
- **Language Competency:** Front-line workers interact with the community; to do so effectively, they need to be competent in the language of their clientele. Participants did not discuss whether this competency should come from hiring bilingual staff or from training existing staff.

Board Members:

- **Governance:** Board members, as part of the management and governance structure of nonprofit organizations, require training in governance practices, organization evaluation, and change management.
- **Fund-raising:** Board members are tasked with promoting the organization and assisting in raising funds. If possible, it is useful to recruit at least one board member who is passionate about and skilled in fundraising, and who can train others. While the Association for Fundraising Professionals (AFP) is a great resource for executives and fundraising professionals, few board members participate in this network.
- **Financial Management:** Board members are responsible for the fiscal health of an organization, and need to understand budgeting, how to read profit & loss statements, monitor cash flow, and accurately allocate grant funding to specific programs.

- **Racial Equity:** To become a diverse and anti-racist organization, board members must do work to understand how their organization may be inadvertently perpetuating injustices. Building boards that reflect values of equity and diversity has been a challenge for some organizations, as board members come and go, and the work of the organization often is prioritized over training in this area.

Volunteers:

- **Volunteer training:** If an organization relies on volunteers to deliver services to the public, these volunteers are also in need of training on a variety of practices, including cultural competence, racial equity and justice, trauma-informed care. Volunteers come into an organization with a wide range of skills and experiences, but often need training on specifics of the organization and the clientele served. This is a constant need with the flux in volunteers.
- **Racial Equity:** For member or volunteer run organizations that are working to address racial disparities and inequities in the community, racial equity training is foundational to the work. In one organization, a team of volunteers attended an anti-racism training together, then brought the training program back to the entire organization. “[We] are doing internal work to be an anti-racist organization. How we bring that into our work allows us to address issues in a way that makes real change.”

Open Access to Information

A critical gap mentioned by many of the participants is the random way in which information is shared across organizations. People tap information from their known networks, but this is inherently inequitable. Suggestions for sharing information included a consolidated web-page or resource guide. Participants indicated the desire to amplify opportunities for peers to share resources and information through crowdsourcing. This sharing process could happen through virtual spaces or facilitated networking spaces. An additional concern regards how people with limited digital access /comfort can access information. To address this concern, one participant suggested decentralizing information sharing by tapping into community leaders.

Options for improving access to information also included the possibility of a statewide nonprofit center. As mentioned by one participant, ‘I assumed when I moved here that there was a nonprofit resource center. Having somewhere that could at least coordinate some of these resources would help. There are always things that I don’t know about that are going on in Madison and resources we may not know about. We often take for granted that people know how to access funding. I would like to be able to speed up this process of learning about this. . . . We need more equal access because right now it’s a lot of who we know.’

A participant encouraged creative thinking regarding developing a nonprofit center. Such a center could be entirely virtual, and could be focused on providing equal access to information, particularly by providing timely updates on grants and training opportunities. While resources on non-profit management are essential, there is already an abundance of resource material available

- the key is consolidating, updating, and making this material accessible. Templates for common documents or processes (bylaws, board management manual, personnel manual, committee descriptions, emergency protocols, etc.) could be shared through a virtual center.

Collaboration

We asked participants, both in the discussions and in the survey, to comment on opportunities for collaboration and on barriers to collaboration. While participants recognized the value of collaboration, more often than not significant barriers get in the way of effective collaboration.

One participant noted that nonprofits are focused on their clients, and tend not to think a lot about themselves in terms of the nonprofit sector. Executive directors focus on the daily management of the organization, and do not have time to coordinate with other nonprofits. A participant commented “there are challenges with collaboration and getting people organized. I would like to see an organization that serves the backbone function, that finds a way to convene and work together beyond discussing abstract ‘should we’ or ‘how should we’ collaborate.” The sentiment that an individual nonprofit would be challenged to coordinate collaboration was echoed by most participants. “A convener can get other people in the room” one participant stated. That noted, organizations with a similar mission, such as housing organizations, have a history of collaboration. Oftentimes, organizations will seek funding as a collaboration, and will task one member with management responsibilities.

Convening could be a role for a nonprofit center, in that they would be neutral on issues in order to focus on coalition building, process, and management. Many participants talked about ‘backbone organizations’ to manage coalition work. For new organizations, an impartial backbone organization would provide the connections to build partnerships and collaborations with other organizations that serve the same population.

Despite the enthusiasm for collaboration expressed in the community conversations, our survey results indicated a great deal of hesitation. Respondents cited issues of time limitations as the biggest barrier. Other barriers include the perceived competition over resources (funding), or over communities served. Of note is an additional barrier related to time - that of inequitable expectations (from funders) and requirements for reporting. A participant noted that African American organizations are scrutinized more closely than others, and over fewer resources. As a result, they are expected to do more work with inadequate staffing. Requirements imposed by funders mean that management staff do not have time for relationship building required for successful collaboration.

Collaboration is difficult even for large, well-resourced organizations. Collaboration takes time and capacity to build shared agendas. A survey respondent noted that “facilitation and convening and group consensus building takes more time than any one organization can do on their own, especially without ongoing funds to do so. Funds, shared accountability, shared record keeping - all this takes time, energy and resources that are often not available.”

Consultants

Participants had varying degrees of success in working with consultants. Some discussion participants related good experiences working one-on-one with a consultant on planning or coaching, where efforts can be tailored to the needs of the organization. Others indicated that the short term nature of consultant engagement with the nonprofit was problematic. Consultants cannot hold a board or staff accountable to following through, they can only help an organization with planning and then leave the implementation to the board and staff.

The best consulting arrangements tended to be those where the consultant had a long term commitment to the organization, and taught transferable skills while doing the work. In this way, when the consultant leaves, the staff is left with a skill set that continues. One organization hired a long-term consultant to teach the staff how to run a fundraising campaign. The skill was left within the organization, so there was long-lasting benefit.

New organizations benefit from support from consultants or mentors with technology and process techniques (logic models, grant writing, board development, organizational culture/team building), and also with planning activities, especially strategic or short-term planning.

Messages to Funders

Nonprofit executive directors commented on how the funding environment works against collaboration, as organizations that should be supporting one another end up competing for limited funding. Several suggestions for funders were provided to improve the funding environment. First, organizations need equitable access to information about funding that is available. As is, only those organizations within certain networks receive funding information. This issue ties directly with the suggestions about open access information sharing. Executives also requested new ideas on creative fund-raising in order to diversify their funding stream.

Participants also emphasized that it is often difficult to find funding for organizational needs that aren't related to programs. Executives suggested that they could work more effectively and efficiently if funds were available for administrative or support staff.

Discussion participants encouraged funders to provide more resources for staff to attend conferences or professional development opportunities. Costs for professional development are not usually included in grant funding for programs or initiatives.

Funders should well consider covering costs for staff to take certificate programs or to get advanced degrees. Staff in nonprofit organizations cannot afford these programs nor can they afford to take on debt for professional development. Funding institutions could find ways to partner with local colleges or universities to allow executives to attend courses free of charge while working and earning a degree. A survey respondent noted "If you want to reduce inequity, we need more people of color with degrees in the field, especially those with lived experience."

Funders were tasked with addressing the crisis of high turnover in the nonprofit sector, which was attributed to bias within the sector. “Many women and men of color are being used and abused in nonprofit industries and no one is addressing this issue, which is why some are starting their own agencies and movements. . . How do we support those actions and help them grow without perpetuating the cycle of having too many organizations and not enough social change?”

Another area where funders can support capacity building is by providing funds for consultants to assist with specific needs. An example is strategic planning. For young nonprofit organizations, or those going through change, strategic planning is an activity that focuses the work of the organization and provides long term benefits. However, it is difficult for an organization to embark on strategic planning without the help of an outside facilitator. Consultants can also support team building, conflict resolution, and organizational culture. Other needs that can be met by consultants are executive coaching, technology upgrades, marketing, website development, and capital campaigns.

A common complaint about funders regards grant applications and reporting requirements that differ by agency or funder. Executives of small organizations spend an inordinate amount of time learning the different grant formats and reporting requirements. A participant suggested that coordination among funders would be beneficial, particularly for reporting.

One survey respondent recommended that funders consider providing funding to support research needs of several organizations. Non-profit executives may or may not have experience with research, but they seldom have the time required to conduct research that will guide their work (e.g, research on best practices in the field; learning from what other organizations are doing; primary research to inform programs, etc.).

Important Resources Currently Available

Organizational representatives shared information about resources they tap into currently, and also imagined structures that could improve resource availability and sharing.

When conversation participants were asked where they turn to for organizational or management issues and support, participants mentioned both local and national resources. Local resources are those that are close at hand - board members, other executive directors, professional associations within the community (for example, other community centers, the Association of Fundraising Professionals), and friends in the nonprofit sector. National resources, such as executive director online chat groups (Facebook group, Slack groups on various topics), or blogs by other executive directors (participants noted the blog by Vu Le, author of the blog post *Nonprofit AF*), are ‘consumed anonymously.’ In between these two extremes are consultants, non-local professional associations, and colleagues at conferences. Very few participants in these discussions mentioned existing peer to peer networks.

Local resources mentioned by conversation participants include:

- Collaboration for Good: Madison NonProfit Day, Social Good Summit, and Draft Day
- YWCA racial justice training program
- Community Shares of WI
- Center for Community Stewardship (as a fiscal agent)
- Association of Fundraising Professionals (AFP)
- The Management Center (management training, in Chicago)
- Madison College Nonprofit Management Certificate
- UW-Extension (county based office and continuing education programs)
- UW-Madison School of Human Ecology, Center for Community & Nonprofit Studies

Knowledge about resources is not equally shared across organizations, and support organizations are not always clear on what assistance they can provide. In an interview with an emergent organization, we learned that many people in the nonprofit sector do not know where to go or who to talk with to get specific services. Support organizations (and consultants) are not actively marketing their services, and word of mouth tends to be the primary source of information.

Next Steps

Much has changed for community development organizations since the time of the conversations referenced in this report. Staff of these organizations have experienced changing work responsibilities and obligations due to the coronavirus pandemic. Yet the importance of capacity building for nonprofit organizations continues, and the work that is informed by this research also continues. We have gained a sense of understanding of the issues for organizations in four sectors (youth out-of-school time, environment, arts, and community development) because of the generosity of time and spirit from organizational representatives who participated in one of several community conversations. Participants shared ideas, frustrations, concerns, and hopes - and we have learned a tremendous amount about the nonprofit sector from these conversations.

The Madison Community Foundation and UW-Madison Extension Dane County will follow up on this research in the following ways:

- 1) Compiling a full report that highlights findings from across all four sectors,
- 2) Sharing the report with all participants,
- 3) Sharing the report with funders,
- 4) Convening an open meeting to discuss findings and suggest responses,
- 5) Development of a nonprofit management training program that emphasizes peer learning for managers of new organizations (UW-Madison Extension)
- 6) Madison Community Foundation is using the results from this research to guide their capacity building funding and make knowledge and information accessible to the nonprofit sector.

To provide comments on this draft summary, please contact Sharon Lezberg (lezberg.sharon@countyofdane.com)