



# Generating Nonprofit Solutions

Capacity Building - February, 2012

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Dear Members of the Nonprofit Community,

Each new year brings us an opportunity to reflect on how we live and work each day and contemplate things we could do better. In many nonprofits, Executive Directors and Board Chairs alike create goals for the new year, including ways to reach more clients more efficiently and more effectively.



This issue of the ESC Newsletter focuses on Capacity Building. Capacity Building is a term that has been around since the 1990s, and we define it as "intentional, coordinated and mission-driven efforts aimed at strengthening the management and governance of nonprofits to improve their performance and impact." Many of the consulting services we offer will help you strengthen your operations, at either the board or staff level, or both.

Please contact me at [trudy@esctriangle.org](mailto:trudy@esctriangle.org) so we can help you kick off 2012 with a positive plan!

Trudy Smith, Executive Director



**Capacity Building**

"Capacity building" is a term widely used today to discuss ways to improve nonprofits performance. It's commonly used, but not clearly understood. At ESC, we define it as "intentional, coordinated and mission-driven efforts aimed at strengthening the management and governance of nonprofits

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to improve their performance and impact."

## **Todd Cohen Addresses Capacity Building**

Capacity building activities can be focused on a number of critical areas for a nonprofit organization. Todd Cohen, the Editor of the Philanthropy Journal, recently addressed ESC consultants at a continuing education session on this subject.

"Nonprofits face a crisis in their organizational 'capacity' and their boards and funders need to step up to address it," Cohen said. "Traditionally expected to do more with less, nonprofits are strained to the limit because of the wounded economy, with many of them at serious risk for failure."

Here are some of the areas Cohen noted where nonprofits should focus their capacity building efforts:

- Executive Leadership - planning needs to be done in this area, especially around transitions.
- Governance - many Boards need strengthening with the right people and the right planning. Board Development and Strategic Planning are essential.
- Fundraising - this critical function for any nonprofit should be shared by the Executive Director and the Board. Donors need to be cultivated and engaged.
- Communication - many organizations aren't good at telling their own story. They need to get better at it.
- Technology - you need the right equipment to get the job done. Even a refurbished computer is better than none. This is a huge challenge for nonprofits.
- Measuring Impact - a good database is essential in helping you to evaluate your results. Funders expect nonprofits to measure the impact of the grants they receive
- Collaboration - many funders are encouraging nonprofits to collaborate with one another. It's not easy to do, but should be considered.
- Compensation - if you want good leadership you have to be willing to pay for it.

## **How ESC Can Help You**

At ESC, we believe that the essential capacity components often lacking in nonprofits include human capacity - adequate numbers of skilled, motivated and dedicated employees,

supported by strong leadership; financial capacity - money management skills, financial accountability, and budgetary planning, and systems capacity - information and logistics, monitoring and evaluation, and governance structures and processes.

As we are all are keenly aware, many nonprofit organizations are small, with limited, even shrinking, resources. This makes Capacity Building even more difficult. You may simply not have the staff or time to plan for a sustainable future while faced with the incredible daily tasks at hand in managing your programs.

This is where ESC comes in: we offer many of the much-needed capacity building services that can make a difference for you.

Give us a call at 919-294-9803 to discuss ways we can help you to get the job done.



## **2011 Report to the Community**

ESC's annual report, "2011 Report to the Community," will be available in early February. This year's theme, "Making a Difference," highlights the difference ESC has made for three of our clients by generating solutions that helped to solve their problems or address their organizational issues. We think you will enjoy reading all about it. Also featured is a report on the past year from Executive Director, Trudy Smith, including information about ESC's performance in 2011. If you would like to receive a copy, send your request to [info@esctriangle.org](mailto:info@esctriangle.org). You will also be able to view the report online at [www.esctriangle.org](http://www.esctriangle.org).



## **ESC News**

ESC is located at 3221 Shannon Drive, Suite 410 in

Durham. Stop by and learn how we can help your nonprofit thrive. Or give us a call. Our phone number is 919-294-9803.

### **Feedback**

We'd love to make this a two-way conversation. If you have any comments or questions please write to us at [info@esctriangle.org](mailto:info@esctriangle.org). Thanks in advance for taking the time.