

Maine Policy Review

Volume 6 | Issue 1

1997

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Recommended Citation

Hunt, Kathryn, Ernest R. Clark, and Anne Johnson. "Nonprofits and Change: Building Competencies for the Future." *Maine Policy Review* 6.1 (1997) : 45 -56, <https://digitalcommons.library.umaine.edu/mpr/vol6/iss1/6>.

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Nonprofits and change: Building competencies for the future

Maine Policy Review (1997). Volume 6, Number 1

Nonprofit organizations are connected integrally to the communities in which they exist. They are important providers of health care and social services, libraries and the arts, and education for children and adults. They form the local associations we join as volunteers. Today, many of these same nonprofits face the need to change in order to survive into the 21st century. This article describes the imperative to change currently faced by nonprofit organizations and presents eight core competencies for surviving the future. It is intended for nonprofit leaders, practitioners, and board members alike.

*by Kathryn Hunt,
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Many nonprofit organizations today face the need for fundamental change, not because of incompetence or failure but because change is being forced by the environment. While some might argue that change factors have always challenged organizations, today change is more urgent, pervasive and fundamental than ever before. Businesses have been reinventing, re-engineering, and transforming themselves in order to cope with today's drivers of change. Nonprofit organizations face a similar imperative to change. Douglas Eadie (1997) observes:

"Nonprofit leaders and managers face a stark choice. They can play a creative and assertive role in designing their own change--consciously planning to impact their own organizations and, sometimes, conditions in the larger environment--or they can be changed by the forces swirling around them. The middle ground of not changing is not a viable option; nostalgia for an imagined golden past is a dangerous distraction. Merely digging in, pulling the wagons into a circle, and defending the status quo is surely a high-risk course in these turbulent times" (p xii).

In the face of such fundamental transformation, how should nonprofits respond? How can struggling nonprofits renew themselves and thrive on chaos? Recently such questions were posed to more than 100 primarily Maine-based nonprofit directors, board members, staff, customers, researchers, and grant makers.¹ Their perspectives and experiences led to the characterization of eight core competencies necessary for survival in the 21st century. The competencies range from being technologically innovative to building participatory organizations. They are derived from real-life experience. More importantly, they exemplify how Maine nonprofits are renewing themselves and taking charge of their uncertain futures.

This article briefly reviews the drivers of change affecting the nonprofit sector and then presents the eight core competencies. Each competency is illustrated further by concrete examples of Maine-based nonprofits demonstrating the competency in action. The article concludes by

providing a few practical suggestions for engaging in nonprofit "renewal," strengthening organizations across the eight core competencies. For both nonprofit practitioners and board members the article is intended to serve as a source of information. It also may be used as a framework for assessing the need to change and possible directions for change.

Why are Nonprofits Doing Business Differently?

Many leaders in the nonprofit sector say they have always been challenged by compelling factors such as scarce resources, service delivery trends, customer expectations, and the like. Generally such leaders have experienced a constant tension between external forces and the need for a stable core. But for some reason, many of these same leaders admit something is different today: that the drivers of change are more structural and long-term than in the past fifty years; that they are more urgent and pervasive, affecting many different types of nonprofit organizations.

A number of the current drivers of change are not limited to the nonprofit sector, but reflect larger economic, demographic, and societal trends. For example, we are evolving away from an industrial age toward an economy that is service-based and knowledge-driven. The communications revolution is connecting local and statewide entities to a much wider world. Societal shifts, such as the trend toward two-income families coupled with an almost 50 percent divorce rate, are altering traditional views of family structure and, more fundamentally, are changing how families interact with one another and in communities. Demographically, our society is aging and becoming more ethnically diverse, while gaps in income inequality continue to grow.

Intensifying these already pervasive drivers of change is the fact that many nonprofits are experiencing additional layers of environmental change. These layers reflect policy trends at the federal, state, and local levels as well as shifts in charitable giving, volunteerism, and fund raising. While some of these trends may be influenced to varying degrees by coordinated and concerted sectoral action (that is, larger efforts exercised on behalf of the nonprofit sector directed toward influencing legislative proposals and public perceptions), they will not be affected by individuals or isolated organizations. Several examples of such trends are presented below.

Devolution of programs from the federal to the state and local levels, coupled with decreasing federal support, is pressuring states and local communities to raise additional revenues. Consequently, there is renewed discussion about the tax-exempt status of some nonprofits. In Maine this debate has focused on land trust organizations. Locally, many communities are beginning to assess (or at least engaging in earnest discussion about doing so) user and other types of fees on nonprofit organizations, particularly ones that own property. This trend will intensify as efforts to balance the budget continue.

Decreasing federal support and the movement toward block grants have profoundly affected some nonprofit service systems. Unlike entitlement programs, where federal support fluctuated with need, block grants will cap the amount available to states and local communities regardless of economic downturns and other misfortunes. Increasingly, health- and social service- related

nonprofits are faced with having to meet growing demands for their services despite decreases in federal and state support.

Nationally, a conservative social agenda has fueled heated discussion about limiting the voice of nonprofits essentially tightening the restrictions on advocacy activities. For many nonprofit leaders who characterize their primary role as fighting for protections for the most vulnerable citizens in our society, this campaign threatens the vital core of the nonprofit sector's identity.

Many nonprofits also face increasing pressures for accountability and performance measurement. Funders increasingly want to know how their monies will contribute to the common good, with an emphasis on demonstrated outcomes versus good-faith efforts.

To the public, distinctions between sectors increasingly are blurred. While private corporations tout missions of service and promotion of the public good, for-profit hospital conglomerations are capturing market share with cost-cutting strategies and downsizing tactics (The New York Times, May 11, 1997). In addition, some nonprofit organizations have evolved toward a funding base that relies primarily on fees for services instead of charitable contributions, leading observers to coin the term commercial nonprofit. Such terms confound the distinction between nonprofit organizations and for-profit corporations and contribute to a crisis in legitimacy faced by the nonprofit sector.²

Finally, the number of households nationwide donating dollars to nonprofits and other charitable causes is decreasing. A transfer of wealth of approximately \$12 trillion from the World War II generation to the Baby Boomers during the next twenty years will affect this trend. But, how is anyone's guess. Currently, this downward giving trend is countered by an increased interest in volunteering. Yet rates of volunteerism are affected by a general decline in the number of available hours to do so. Changing societal trends related to work, family life, and leisure time (e.g., television watching) contribute to this decline in hours. Such trends cast real doubt over the efficacy of efforts to replace funding for many of the essential services provided by nonprofit organizations with largely voluntary programs.

Although nonprofits may have some impact on the course of some of these trends, generally nonprofits will not be able to exercise influence over them, nor should they expect them to be reversed. They also should not be ignored or slighted in terms of their significance to the nonprofit sector. Rather, such fundamental changes demand a response: to revisit priorities and realign organizations in ways that not only respond to change but also help define an emerging vision of civic life.

Core Competencies:

Environmental responsiveness
Advocacy
Technological innovation
Accountability
Strategic collaborations
Participatory leadership
Customer focused practice
Civic-minded resource
development

Survival in the 21st Century

There is a difference between thriving and surviving. Some nonprofits in existence today may lack long-term viability but are surviving in the short term. In contrast, other nonprofits appear to be thriving. Many of the leaders we interviewed are anticipating the future, learning from best practices, and positioning themselves strategically. Whether consciously or intuitively, they are seeking to improve in eight basic areas, which we have called core competencies. The remainder of this article describes these competencies and provides examples of Maine nonprofits that are excelling in one or more of them. Such illustrations are intended to help readers understand how some nonprofits are seeking to improve their long-term viability--to thrive in tomorrow's environment by focusing today on organizational sustainability and civic renewal.

Environmental Responsiveness

Forward-thinking nonprofits exhibit a new understanding of what they are relative to their environment. Rather than viewing the organization as separate from the environment, they are demonstrating an understanding that the organization's success is determined by its responsiveness to multiple, conflicting demands from diverse constituencies. Hence, they are engaging in public dialogues about important local, state, regional, and national policy issues. They have strategies for encouraging broad-based citizen participation in this process and, in many instances, are including those who typically have been excluded from policy making processes.

They also are making time to assess the future by incorporating a reflective practice into work that is directed toward achieving their vision, mission, and goals. They have institutionalized strategies for continuously scanning their environment--to stay abreast of trends, debates, emergent opportunities, and the needs and expectations of their constituencies. For example, it is not uncommon to hear highly responsive nonprofits talk about inviting local representatives to periodic breakfast discussions or board meetings, or to see them devoting board and staff time to discussions that extend beyond organizational practice. Many of these nonprofits maintain close ties with their peers at the state and national levels, some even going so far as to jointly employ lobbyists at the federal level. Such lobbyists often are employed not only to represent the constituencies of the particular service system but also to fill the roles of watch dog and bird dog--respectively, monitoring the environment for emergent activities and identifying funding streams through private foundation or government sources.

An example of a particularly responsive organization can be found in Wiscasset. Coastal Enterprises, Inc. (CEI) deals with nearly all elements of the Maine socioeconomic environment. Formed in 1977 as a nonprofit community development corporation in response to a need to mobilize capital and invest in job-generating small businesses, CEI has been providing financial and technical assistance to a wide variety of fledgling and expanding firms for two decades.

While CEI's mission has evolved, so has the environment in which it has worked. Staying on top of that environment involves almost constant contact with all the various constituencies that have

a stake in CEI's mission. CEI staff members reach out into the community by serving on numerous boards and other outreach capacities.

"In some ways, everybody has a responsibility to scan what is going on around them," said Carla Dickstein, CEI senior development officer for research and policy development. "People here tend to think about that a lot, and as they deal with customers, they're usually going to get feedback about what works, and sometimes about what doesn't work."

That feedback comes to CEI in ways both formal and informal. There is direct feedback that comes from customers and is shared throughout the company. There also are more organized means. Last year, CEI conducted some forty interviews with stakeholders from the public, private, and customer sectors as part of a company-wide strategies "directive." From those interviews, CEI staff were able to confirm already-held beliefs, gain new information, and use those results to help shape their vision for the future: seven strategic directions that in Dickstein's words "were broad-based, but helped define things in terms of where we want to go."

CEI's twenty years of service has seen plenty of change, not only within the organization, but also in the environment that surrounds it. "In the early years, there wasn't that much going on in terms of economic development as we deal with it now," Dickstein said. "Today, it's very busy. There's been a proliferation of groups that focus on economic development, whether it's town or city groups, or regional groups, or all kinds of other groups with economic development as their focus." And that competition, Dickstein says, makes responding to all elements of CEI's multifaceted external environment more important than ever.

Advocacy

Traditionally, advocacy has focused on a cause, group, or the survival of a particular organization. Today, these targets are broadening to include advocacy on behalf of entire service systems, communities, regions, and the nonprofit sector itself. For example, the *Portland Arts and Cultural Alliance (PACA)* owes its birth and rapid growth to the notion that a consortium of nonprofits working together not only benefits each member, but the community at large.

The concept for this alliance of many elements of Portland's vibrant arts community was developed in the early 1990s within the confines of City Hall, where the thought was advanced that the arts could serve as a catalyst for economic development in Maine's largest city. Individual artists and arts-oriented enterprises were generating business and income for the city, and the idea was that a united plan might enhance that process. Seed money for an arts district plan soon was made available, and a committee was established to organize smaller groups of arts-oriented interests that previously had met on a less formal basis. By 1995, PACA was formed, and the concept of an arts district was incorporated into the city's comprehensive plan. Earlier this year, PACA was designated as Portland's official arts agency and became eligible for municipal funding.

PACA's development, according to President Terrie J. Rouse, executive director of the Children's Museum of Maine, had several dimensions: fund raising, administrative support, marketing, gaining the confidence of the city and its leaders, and, perhaps most importantly,

building a collaborative mind-set among potential members. "People gradually began realizing that when you stop fighting among yourselves and start working together, you get things done," Rouse said.

The steps that enabled PACA to grow continue to be a focal point of the agency's mission, along with representing its constituencies' interests in a number of civic arenas, including tax-related concerns, arts in the schools, and other issues affecting the community. PACA now boasts more than forty members, both institutions and individuals, and the agency currently is in the process of hiring an executive director and naming its first board of directors. Rouse said the board will reflect not just the arts community's interests but the entire city's interests, incorporating a mix of agency members, municipal officials, and business leaders. "Our constituents are largely businesses whose subtopic is the arts in one medium or another," Rouse said. "So to advocate for the arts community is to advocate for the economic development of the entire community."

Technology Innovation

Nonprofits that are anticipating the future view technology as essential to their success. They understand it is a fundamental resource rather than an optional luxury. They are building technological investments into their operating budgets rather than assuming such upgrades are one-time costs or contingent upon the success of capital campaigns. They also recognize that continuous technological innovation requires ongoing education for customers as well as staff. In this respect, many nonprofits are partnering with other organizations, including businesses and government, to keep costs to a minimum and to take advantage of existing training capacities.

Alpha One, Maine's largest organization run by and for people with disabilities, provides a vivid illustration of how one statewide nonprofit is using technological innovation to improve services and cut costs. The South Portland-based center for independent living was established in 1979, and serves more than 6,000 people each year from offices in Lewiston, Augusta, Brewer, Presque Isle, and South Portland.

In recent years, Alpha One has developed a strategic plan with six goals, among them to be a high quality source of consumer information, to be recognized as Maine's premier expert on disabilities, and to feature a work environment that equips its employees with all the tools needed to do an effective job. A major investment in technology, which today averages some \$100,000 per year, has helped Alpha One work toward those goals. "The philosophy of many nonprofits and other organizations is that technology is a luxury," said Craig Tribuno, treasurer of Alpha One. "But we see technology as just as fundamental as paying the phone bill or payroll taxes."

Alpha One uses its technology in a myriad of ways, and has established the position of information resource manager to develop how the organization can maximize the benefits of its technology investment. So far, those benefits have been derived primarily from improvements in Alpha One's internal information flow, including client information and scheduling. "We believe technology has lowered our costs far below our investment in technology," Tribuno said. "We have offices all over the state, and it aids in effective staff planning so that people are in the right places at the right time, with less down time."

Alpha One is working on ways to use its technology more effectively in other ways, particularly in accessing resource information. Research is being conducted on how to use Internet resources more effectively so there isn't a duplication of effort by maintaining records and information locally when those same data are just one Web site away virtually free of charge.

Of course, generating \$100,000 or more a year for technology is not a simple task for a nonprofit, but to Alpha One it is merely a matter of establishing priorities. "You find the money by valuing what you want more than something else," Tribuno said. "What you value most, you find the money for."

Accountability

Many nonprofits are being pushed to move from a solely compliance-based or accounting-based approach to performance-based systems. Nonprofits increasingly are being asked to demonstrate to a variety of constituencies that their services are effective and affordable.

Thriving nonprofits consider this trend an opportunity. They are willing to ask tough questions about their performance and service; they are willing to change sacred programs and seek new ways of measuring performance outcomes. In doing so, they are transitioning from measures that traditionally have been relied on because of data availability (e.g., service inputs) to more valid outcomes-based measures. They are using performance outcomes as a vehicle for communicating more realistic program expectations to funders and other relevant audiences.

At *Coastal Enterprises, Inc.* the means of internal accountability often are found in the interactions the enterprise has with its external environment. For example, the directive interviews conducted by the organization last year provided not only feedback but also a measure of accountability for its approach as a nonprofit community development corporation.

In addition, CEI links some of its external financing and technical assistance capabilities to firms that agree to follow its "welfare-to-work place" thesis with commitments to employing low income persons or those on Aid to Families with Dependent Children (AFDC). Anecdotal information is the prime source of short-term accountability provided by those firms that commit to hiring low income persons, though Carla Dickstein, senior development officer for research and policy development, says one of CEI's goals is to develop a better longitudinal assessment of program effectiveness.

"Traditionally, nonprofits have followed process outcomes, for example the number of loans issued," Dickstein said. "Only slowly has it started to change to being more outcomes-based. Part of the reason is that it's harder to do. It's hard to collect data, and it's expensive. The question often is do you want to know, and if you do, do you want to spend the resources? But the mind-set for the transition to outcomes-based accountability is there, or at least getting there."

On a broader scale, some nonprofits are focusing on the creation of community-wide performance measurement systems. For instance, in Seattle, Washington, *Sustainable Seattle* publishes an annual report that tracks forty indicators resulting from community dialogue about how to measure progress toward a common vision of Seattle's future. The indicators measure

aspects of the environment (e.g., wild salmon running through local streams), the population and its resources (e.g., tons of solid waste generated and recycled per capita per year), the economy (e.g., hours of paid work at the average wage required to support basic needs), and Seattle's culture and society (e.g., percentage of youth participating in some form of community service).

The Sustainable Seattle project reflects community-based values and priorities. It has adopted the stance that measuring progress, or the lack of it, is a meaningful way of doing business and not just a new twist on how to report to funders.

Strategic Collaborations

Increasingly, nonprofits are choosing to collaborate with businesses, government, and other nonprofits. In many instances, such decisions are being made out of a necessity to reallocate scarce or shrinking resources. Of particular note in Maine are the number of regional collaborations being formed for strategic purposes such as marketing, fund raising, or the promotion of economic development.

Maine shares with its New England neighbors a heritage of being "home-ruled," which can be characterized as a tendency toward localized decision making, small-scale provision of essential services, and a strong sense of loyalty to one's town rather than county or region. Hence, the trend toward regional alliances suggests that traditional, often municipal, loyalties are being replaced by new survival strategies for the 21st century.

For example, many of the state's chambers of commerce are finding power in partnerships. The York County Coalition of Chambers is an association of seven southern Maine chambers of commerce encompassing eleven communities that combines resources to produce a Web site and a shared information phone line as well as other mutual assistance.

This trend also is visible in more rural regions. Progress currently is being made to formalize a partnership among chambers of commerce representing the greater Greenville, Millinocket, and Dover-Foxcroft regions in central Maine. According to Dennis Lyford, executive director of the Southern Piscataquis County Chamber of Commerce in Dover-Foxcroft, this alliance will allow the chambers to pool resources in order to promote tourism in the region, develop a Web site, secure grant monies, represent the area at trade and tourism shows, and other activities that previously have been performed individually by the chambers. The alliance is expected to work under a nine-member board of directors, with the three chamber executive directors rotating as chairperson and two other board members from each of the three chambers.

Already this alliance has paid dividends in the form of an \$11,000 grant that has been secured to produce 50,000 promotional maps. A statewide map will be featured on one side, with the greater Moosehead-Katahdin-Piscataquis region on the other side, highlighting various tourist attractions such as boat landings, parks, and golf courses.

Another example of strategic collaboration is located in central Maine. Piscataquis County has amongst the lowest per capita income in the state (U.S. Department of Commerce, 1994), a fact that has imperiled the ability of individual nonprofits in the region to meet the demands of

constituencies that are requiring more and more services. In response to this awareness, the *Penquis Resource Exchange* was developed to help nonprofits survive through the "power in numbers" philosophy. Membership has grown to more than forty groups during the last two to three years, according to George Mueller, executive director of the Piscataquis Regional YMCA in Dover-Foxcroft and a leader of the exchange.

Exchange members share information, fund-raising ideas, grant-writing information, project proposals, and generally engage in what Mueller describes as "interagency communication," something he says didn't exist when he arrived in the area five years ago. "When members come to the meetings, we leave our individual hats outside," Mueller said. "Gradually people are starting to realize that collaboration is the key, especially in a rural part of the state like this where many of the organizations are very small."

The united efforts of Penquis Resource Exchange members have produced some positive results, both for the agencies and the community at large. The Piscataquis YMCA alone has been involved in some twenty strategic partnerships with fellow exchange members and elements of the public sector during the last year, including a partnership with the Training & Development Corporation and School Administrative District 68 to host a program that retrains displaced workers from the now-closed Eastland Woolen Mill in Corinna.

Collaborations such as the ones described above often involve close interaction among organizations that possess different values, purposes, and organizational practices. Optimally, this occurs with the understanding that the process of building mutually satisfying, long-lasting relationships requires effective and honest communication, the ability to solve problems (even when solutions may not directly benefit the organization), and the ability to resolve conflicts as they arise. It means letting go of the isolated "fortress" mentality in favor of an inclusive, far-reaching perspective on working together. It means knowing what one is willing to compromise while still being true to one's fundamental purpose and values. It is easy to talk about and hard to do well.

Participatory Organizations

Participatory organizations are replacing old organizational structures that dominated the 20th century. They offer new leadership behaviors and organizational practices that focus on being flexible, adaptive, and responsive to customers and funders. They are radically different from the traditional industrial model that has dominated the past fifty years.

The industrial era spawned organizational structures defined by rules, hierarchical role assignments, and clear distinctions between management and workers. Often they were characterized by highly refined processes and systems (with a byproduct of high paperwork-to-work ratios), but they also were slow to respond to new information or changes in the environment. Generally, such organizations excelled in relatively static environments characterized by a stable population base.

Today, some nonprofits, particularly larger and more formally organized ones, are transitioning away from this industrial model of leadership and practice toward a more participatory form of

organization. They have come to recognize, like many businesses, that today's environment demands different organizational capacities. They are looking for ways to renew stagnant organizational cultures where learning has been constrained. They are engaged actively in transforming themselves at all levels of the organization.

An example of such transformation is provided by *Community Concepts, Inc.*, a community action agency whose mission, as described by Executive Director Charleen M. Chase, is "helping people in need build a better future." Community Concepts has experienced rapid growth in the last two years, largely through a leadership and management concept that empowers all its employees.

"We believe that one and one equals more than two," said Chase. "That's why we commit to a lot of teamwork and a lot of staff development. We also have the philosophy that everyone is a continuous learner, that as they get more training their ability inches upward."

Among the programs instituted by Community Concepts is its Leadership Institute, an ongoing training opportunity for employees dedicated to continuous personal growth and community service. Sixty employees have graduated from three Leadership Institutes, where they also have been trained to be more active participants in their agency. From knowledge gained at Leadership Institutes and other training, employees today are encouraged to make recommendations for change and are involved in committees charged with reviewing practices and making necessary modifications. Examples of this have affected many areas, including the agency's employee handbook, family values statement, and even its salary plan.

Community Concepts' previous salary structure had twelve classifications; the new plan has just four classes--associate, specialist, manager and director. "There are very broad distinctions within the classes that allow for flexibility in what those classes require," Chase said. "That allows for changes in what people do as they gain more and more training."

The revised salary structure is one element of the agency's "flattening" of the corporate pyramid, though in this case Chase has redefined flattening as "participation." Before the organization underwent a major self-evaluation in 1995, its directors' group consisted of six managers. Chase, for one, believed that structure did not result in a fluid dissemination of information to all employees, so four additional "non-director staff" were added to the group, creating a "leaders' circle of peers" to provide a broader perspective.

"As a result of involvement and empowerment and the belief that one plus one equals more than two, the output at all levels is higher," Chase said. There also are more people to provide output for an organization that uses performance outcomes to determine its success. According to Chase, Community Concepts has grown by 61 percent since 1995, with forty-seven of its 185 employees hired within the last year.

Customer-focused Practice

Traditionally, service systems--particularly in the areas of health and social services--have been fragmented, requiring clients to fend for themselves when seeking multiple services. More

recently, nonprofits in these areas are moving toward the provision of integrated, single point-of-entry care. These trends emphasize client ease and satisfaction. Increasingly, clients are viewed as customers who have control and choices rather than as captive markets lacking in expertise to influence their treatment options. Hence, nonprofits are striving to demonstrate quality and accountability as well as improving access to their services.

This trend also reflects a growing emphasis on thinking holistically about systems of care and clients. Rather than viewing problems in isolation from one another, practitioners are integrating theories of practice, as in the case of dual diagnoses in the mental health and substance abuse fields. Case managers not only are helping to integrate service systems and ease the client's point of entry into that system, but also are promoting a more holistic view of clients--one that is based on their strengths as well as their weaknesses--as an individual, family member, and community citizen. For example, *Wings for Children and Families* is an agency providing case management services to children with severe emotional disturbance and their families in the four-county region of Penobscot, Piscataquis, Washington and Hancock counties. This agency was created as part of a national initiative (funded by the Center for Mental Health Services) to provide client-focused, family-driven, system-of-care services as opposed to the historical, illness-focused, provider-driven, fragmented services in the children's mental health arena.

Evidence of client-focused practice is found in the manner in which it involves parents. Wings has demonstrated a commitment to parent involvement in decision making, not only at the family level but also at the organizational and governance levels. Specifically, Wings currently employs seven parents (30 percent of its staff) of children with severe emotional disturbance in its four offices. Additionally, 55 percent of Wings' board of directors is comprised of parents.

Having parents involved in multilevel decision making has resulted in more appropriate service delivery. As a result of providing parents access, voice, and ownership, Wings has been able to design and fund services that truly help the child and family. Parents support the in-house training of the case management staff and provide support to other parents during meetings with professionals, community, and school staff. These activities help bridge the gap between other agencies and the Wings program. Furthermore, nonparent staff practice in a child- and family-focused fashion, coordinating team meetings for clients to include parents as well as anyone the family wishes to be present. Instead of treatment decisions being made by one or two providers, they are made by a team that includes such members as grandparents and family friends.

Operating in this client-focused mode--involving parents and diversifying treatment teams--may present numerous challenges not experienced by service delivery systems working in isolation. However, Wings recognizes the importance of this core competency in providing effective services to the families it serves.

Civic-minded Resource Development

Thriving nonprofits are shifting away from the perspective that resource development is simply a matter of organizational survival to be conducted in isolation from the community and toward an emerging perspective that resource development should be an open, community-driven process. Civic-minded resource development is viewed as a much broader initiative than just acquiring

funds. It also includes the process of building community ownership and support for civic resources. Moreover, it opens the communication process much earlier than is the norm in traditional reporting relationships between funders and fundees. The process assumes joint ownership from the beginning and engages funders, customers, and the public in sustained educational dialogue. For example, the *Old Town Public Library* recently completed a successful

\$1.75 million campaign to expand and renovate its facilities, benefiting from one large donation but relying heavily on smaller benefactors. Of more than 1,500 contributors to the campaign, only fifty-three donated more than \$5,000.

The key to that success, according to library Director Valerie Osborne, was the considerable pre-campaign work to explain the nonprofit's community goals and contributions--in this case a vital resource for people of all ages. For this campaign, a case study was developed that answered questions about the project anticipated from the public. A pamphlet then was developed and made available to the public by persons armed with answers to those anticipated questions. Osborne also made herself available in a public relations capacity, speaking to numerous social and civic groups. Evidence that the legwork paid off came through the fact that only 1.2 percent of campaign pledges were not fulfilled, compared to the national average of approximately 5 percent.

Supplementing that effort was Osborne's ongoing community involvement--she serves on a number of civic boards--as well as the library's offerings to the city. In 1996, for example, the library hosted 320 special programs that attracted 8,127 children visits. One current goal to further enhance the library's position in the community is to increase the number of special programs for adults.

While the library is funded largely from municipal sources, Osborne believes serving in a public nonprofit capacity requires a maintenance of all community networks cultivated during periods such as the expansion campaign, as well as the nurturing of new relationships as they become possible. Such maintenance may spur the develop of trust funds that assist the library in making special purchases, or may constitute the legwork for the next capital campaign.

Conclusion

The eight core competencies characterize aspects of organizational life that have always been focal points for nonprofit leaders. Yet changes are occurring in how these competencies are practiced, primarily because the environment is compelling them but also because notions about what is entailed in strengthening civic life are resurfacing in American public dialogue. Nonprofit organizations are integrally connected to such notions. Many leaders today realize that striving for the long-term viability of nonprofits requires high levels of skill in each of the competencies. Furthermore, such skills must be exercised within individual organizations, larger service systems, the nonprofit sector as a whole, and most importantly, within communities--the people and infrastructure that create a civil society.

It is particularly gratifying to observe that there are many thriving nonprofits in Maine demonstrating excellence across the eight core competencies. Their stories and experiences

suggest that whether surviving or thriving in today's environment, it is time to start thinking and acting strategically to strengthen nonprofit organizations and the sector itself. Accordingly, leaders in Maine are reassessing their organizations' strengths and weaknesses. In many instances they are making changes, not through an influx of additional time or money but through a reprioritization of purpose and function.

In presenting the eight competencies to leaders throughout Maine, questions inevitably arise with respect to how to integrate such information into organizational practice. While this article is not intended to serve as a guidebook on how to change, it does conclude with four general guidelines for getting started:

1. Think holistically about the organization, today's environment, and the competencies. There is no silver bullet to ensure success in the 21st century. Rather, the integration of many factors and skills will lead to improved competency and survival.
2. Consider any changes from more than one angle. Are the changes being considered an organizational issue, or are they best considered in alliance with other organizations? How can the organization become more participatory with customers, staff, board members, and the broader public? Where best to begin?
3. Ensure that the organization's identity is well-understood--by staff, customers, funders, and the community. What is the organization's primary purpose? What are its core values? Refrain from embarking on change initiatives until these fundamental questions are addressed. Focus inward, then outward.
4. Take charge of the future. Don't be paralyzed by trying to predict the unknown. While the drivers of change remain chaotic and in flux, be reassured by the fact that they always will be so and should not represent reasons for waiting or inaction.

Finally, nonprofit organizations are connected integrally to the communities in which they exist. They are important providers of health care and social services, libraries and the arts, and education for children and adults. They form the local associations many individuals join as volunteers. Hence, notions of civic renewal and nonprofit renewal go hand-in-hand. The fact that nonprofits are being compelled to change cannot be separated from the fact that individuals and communities are, too. *We evolve together.*

Acknowledgements

The authors of this article would like to thank the many individuals who were interviewed during the best practices research as well as those who are featured in this article. Furthermore, the impetus to conduct the research that forms the basis for this article arose from a collaboration called The Change Project. Members of this project include Marion Kane, Maine Community Foundation; Henry Bourgeois and Meredith Jones, Maine Development Foundation; John Walker, Maine Association of Nonprofits; Dorothy Schwartz, Maine Humanities Council; and staff from the Margaret Chase Smith Center for Public Policy. The authors extend a special thank-you to Barbara

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Endnotes:

¹ Last fall the Margaret Chase Smith Center for Public Policy, University of Maine, in partnership with the Maine Association of Nonprofits, Maine Development Foundation, Maine Community Foundation, and Main Humanities Council, undertook a systematic assessment of change in the nonprofit sector. To accomplish the task, Smith Policy Center staff engaged in best practices research, the extensive study of the current state of knowledge in a particular area. The research included an extensive review of current literature as well as interviews and focus groups with nonprofit leaders throughout Maine. A complete summary of the findings was prepared for an April 7, 1997 conference, *Chaos and Courage: Nonprofits in Transition*. Copies of the summary can be obtained by contacting the Smith Policy Center (207/581-1648).

² Dr. Lester Salamon, director of the Institute for Policy Studies at Johns Hopkins University, discusses the current crisis of the nonprofit sector more fully in a recent book, *Holding the Center: America's Nonprofit Sector at a Crossroads*, published by The Nathan Cummings Foundation, New York, NY, 1997.

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Full cite: Hunt, Kathryn, Ernest R. Clark, and Anne Johnson. 1997. *Nonprofits and change: Building competencies for the future*. Vol. 6(1): 45-56.