

The California Wellness Foundation

Grantmaking for a Healthier California

Reflections

On Capacity Building



The California Wellness Foundation

Reflections is a series produced by The California Wellness Foundation to share lessons learned and information gleaned from its grantmaking practices and strategies. This document and others in the series are available on the Internet at www.tcdf.org.

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Much of the grantmaking that The California Wellness Foundation has done to date has been in the form of multiyear strategic initiatives. All five of our initiatives have been somewhat different in design, but each has included a set of grants for community action. In some cases, those grants have supported the development of multiagency collaboratives to prevent youth violence or to redesign local systems of health care. In other cases, the grants have been awarded to lead agencies that bear primary responsibility for the work to be undertaken, whether it's in the area of teen pregnancy prevention or for the creation of "wellness villages" to engage young people in improving the health of their neighborhoods.

Community action grants have ranged from a low of six to a high of 18 per initiative and are typically dispersed geographically around the state to ensure that each initiative's reach includes a variety of underserved populations. By emphasizing geographic and cultural diversity in our selection process, we also developed cohorts of grantees that differed from one another on a number of dimensions, including organizational capacity.

Mindful of the complexity of the tasks we were asking our community action grantees to undertake, we have included resources specifically for technical assistance or capacity building in each of our initiatives. We have tried a number of mechanisms along the way. We have created a pool of dollars that community action programs could access to buy the time of a prescribed cohort of consultants. We have also built funds directly into community action grants so that agencies could diagnose their own needs and purchase whatever consultation they deemed most necessary on the open market. We have also funded intermediary organizations specifically to provide technical support across the entire cohort of community action grantees in an initiative. In some cases they also played the role of "coordinating grantees," in essence managing the entire process for the Foundation.

In the midst of all this experimentation, one fact is certain. We have underestimated the needs of our grantees — no matter how sophisticated — for assistance with capacity building. While we concentrated our grant dollars initially on technical assistance specific to program implementation, a variety of basic organizational needs also emerged across the sites that required more generic management assistance. To ignore those needs or fail to provide adequate resources to address them can significantly compromise the larger goals of our grantmaking programs.

To help us synthesize the lessons learned to date from our experience, we contracted with Laura Campobasso and Dan Davis of Progressive Strategies to conduct interviews with community action grantees, capacity-building grantees, evaluation grantees and our program staff across our five current initiatives. Their report has helped to enhance our internal dialogue on effective strategies for capacity building as we embark on the next generation of our grantmaking programs. I hope that it will prove equally valuable to you in your work.

Tom David, Executive Vice President
The California Wellness Foundation

Reflections On Capacity Building

By *Laura Campobasso and Dan Davis,*
Progressive Strategies

All organizations must confront change successfully in order to grow and achieve sustainability. Established and experienced organizations are challenged to increase their efficiency and quality while newer, inexperienced organizations often struggle for basic survival.

Paradoxically, funders have often failed to recognize and support the strong two-way relationship between program success and organizational strength and sustainability. Nonprofit organizations have always found that it is easier to raise funds for specific projects with tangible outcomes than to find the resources to develop themselves internally.

Over the last eight years, The California Wellness Foundation (TCWF) funded five initiatives targeting different aspects of public health in California. Each of the initiatives included components intended to build the capacity of the initiative grantees. These components consisted of technical support (TS)—including training and technical assistance—and ongoing evaluation. Rather than provide these activities directly, TCWF made grants to TS providers and evaluators.

TCWF retained Progressive Strategies to study “Lessons Learned” from the capacity-building components of its five initiatives. This report presents Progressive Strategies’ analysis and conclusions, as well as direct recommendations from people interviewed.

REPORT METHODOLOGY AND SCOPE

Interviews with TCWF staff and initiative grantees formed the basis of this report, which outlines lessons learned from capacity-building efforts.

To collect the data forming the basis of this report, Progressive Strategies studied background materials provided by TCWF and then interviewed 40 individuals, representing a sampling of the following groups:

TCWF Program Officers: The program officers are responsible for the initiatives’ successful implementation. As part of their duties, they manage the evaluators and TS grantees.

TS Grantees: Technical support grantees were funded both to provide direct technical support to grantees and to help initiative grantees locate and retain other sources of technical assistance. They also served as a communication link between initiative grantees and TCWF.

Evaluators: Originally retained to evaluate the overall initiatives as well as their specific components, in many cases the evaluators ended up educating initiative grantees and transferring to the grantees valuable evaluation skills regarding the collection, interpretation and use of data.

Initiative Grantees: The initiative grantees are the many organizations that received grants from TCWF to implement the five initiatives in their communities. They represent a broad range of size, experience, expertise and skills.

With TCWF's input, Progressive Strategies designed a series of detailed questionnaires to guide the interviews. This report utilizes the interview data to help clarify what makes funder-provided capacity building effective. It is important to emphasize that the purpose of the interviews was to examine the capacity-building components of the initiatives, rather than evaluate their substance. In addition, while most of the conclusions will be relevant to capacity building in general, the analysis and report are based on the unique nature of TCWF's funder-provided capacity-building program, in which the following elements have an important role:

- This is a funder-provided and -driven capacity-building program with scores of grantee participants. As a result, this report focuses on the overall program, including structure and dynamics, rather than on the quality or effectiveness of individual TS grantees or the growth of individual initiative grantees.
- The fact that TCWF initiated the program and managed the relationships with the TS grantees contributed to a unique and often challenging dynamic between the TS grantees and the initiative grantees. This often created different relationships than might exist between a TS grantee (such as a consultant) and an individual grantee/client.
- The five initiatives had similar, but not identical, capacity-building programs. Consequently, the observations and recommendations do not apply to all of them uniformly, as one initiative's success was often another initiative's challenge.
- The lessons presented in this report represent a distillation of the initiatives' collective experience, both successes and challenges, from which emerges a template of elements common to successful funder-provided capacity building.

DEFINITION OF CAPACITY BUILDING

Defining the term “capacity building” is the first step in analyzing lessons learned about its effectiveness.

“Capacity building” means different things to different organizations. In TCWF's case, the definition has evolved with its grantmaking programs. Originally described as “technical assistance,” funding for capacity building

was designed to address a narrow range of organizational activities. Over the course of its initiatives, the Foundation assumed a broader and more comprehensive approach to building capacity.

Based on information gleaned from the interviews, Progressive Strategies will use the following definition of “capacity building”:

Capacity building is the development of an organization’s core skills and capabilities, such as leadership, management, finance and fundraising, programs and evaluation, in order to build the organization’s effectiveness and sustainability. It is the process of assisting an individual or group to identify and address issues and gain the insights, knowledge and experience needed to solve problems and implement change. Capacity building is facilitated through the provision of technical support activities, including coaching, training, specific technical assistance and resource networking.

In addition to “capacity building,” this report uses the terms “technical assistance” (TA) and “technical support” (TS). These terms describe the activities of the TS grantees and other providers selected or coordinated by them. TA refers to specific types of site-specific assistance and problem solving (e.g., computer hardware and software installation and support). TS encompasses TA and all forms of education and skill building, including initiative-specific training and more general organizational development.

LESSONS LEARNED

The interviews yielded a wealth of data regarding what worked well, challenges encountered and recommendations for improvements.

The interviewees consistently identified a core set of essential principles and activities, applicable across the five initiatives. Based on the interview findings, these core elements can be embodied in the 10 “Lessons Learned” described below.

Within the discussion of each Lesson, challenges relative to that Lesson are presented. This presentation is not intended to imply that the issues discussed were dominant, or even prevalent. However, they did occur with enough frequency to be noted, and they also help illuminate the respective Lessons.

It is also important to note that the Lessons Learned do not represent failures on the part of the initiatives. Because of the many differences among the five initiatives, each had different strengths and challenges. In addition, all of the initiatives evolved and grew as a result of ongoing monitoring and evaluation. These Lessons emerge from that evolution, incorporate the common elements of these strengths and weaknesses, and use them to create a template for successful funder-provided capacity building.

For each of the Lessons, key unanticipated outcomes and recommendations are presented where applicable. Several clarifications regarding the recommendations are in order. First, the

interviews revealed no glaring holes in TCWF's capacity-building strategy and implementation. Second, because of the differences among the various initiatives, the recommendations do not necessarily reflect needs common to all of the initiatives. Third, the recommendations seek to refine TCWF's model and activities by capturing what did work well, combined with suggestions for possible improvements.

Lesson 1: Establish a foundation of trust.

Throughout the interviews, trust was a recurring theme. It was notable both for the success catalyzed by its presence and for the obstacles posed by its absence. When trust was present, communication was clearer, relationships flourished, and the initiative grantees were more open to the TS grantees' and evaluators' assistance. Where trust was absent, communication was delayed or reluctant, expertise and credibility were doubted or discounted, and initiative grantees resisted the types of conversations and activities necessary for their growth.

Following are the principal factors that influenced the feelings of trust among TCWF, the TS grantees, the evaluators and the initiative grantees.

- **TCWF's role as funder unavoidably colored all of its relationships.** Many interviewees reported that, until they developed greater confidence over the course of the initiatives, their actions were influenced by a fear of losing funding. Initiative grantees expressed this feeling on their own behalf, and they also felt that a similar concern influenced some of the TS grantees and evaluators.
- **The TS grantees and evaluators were sometimes viewed as surrogates for TCWF rather than in service of the initiative grantees.** As described in Lesson 2, TS grantees and evaluators not only were paid by and reported to TCWF, but in some instances also were responsible for coordinating all technical support. As a result, some initiative grantees were initially wary of the TS grantees and reluctant to be candid about their needs, for fear of appearing weak and losing their funding. In addition, some initiative grantees perceived a conflict of interest in the TS grantees' position and occasionally felt that TS grantees' services were driven more by their desire to please TCWF than to serve the initiative grantees.
- **Conversely, some TS grantees and evaluators came to be seen by TCWF as advocates of the initiative grantees.** As a direct result of trying to build relationships and gain the trust of the initiative grantees, some TS grantees advocated too vigorously on behalf of the initiative grantees, weakening their credibility and impartiality in TCWF's eyes. This situation was remedied, but illustrates how the TS grantees could be caught in the middle and struggle to sustain the trust of both TCWF and the initiative grantees.
- **Some community-based initiative grantees mistrusted TS grantees and evaluators who were not from their communities.** In some cases, initiative grantees presumed that TS grantees and evaluators who were not from their communities could not understand their

particular challenges and needs and resisted working with them. In addition, some TS grantees' academic style clashed with the more informal, personal style of some initiative grantees. The consequences, at least for a time, were a lack of candor that led to weakened needs assessments and initiative grantees' unwillingness to receive TS from these organizations.

- **Actual differences in experience and perspective created barriers between some TS grantees and initiative grantees.** In some instances, the differences between TS grantees and initiative grantees went beyond questions of cultural comfort or preference and were reflected in a TS grantee's reliance on previous experience rather than on an understanding of an initiative grantee's community and circumstances. In these cases, the TS grantees' credibility—and that of TCWF—suffered, and the initiative's progress slowed until the relationships improved.

Recommendations for building trust include:

- **Avoid making assumptions about grantees.** Funders and TS providers should not rely on past success to make assumptions about a grantee's issues and solutions without taking the time first to understand the grantee, its community and its history. While the course of action may in fact be the same, the time taken and effort made to get to know the grantee and its world will pay off in terms of trust, more open communication and time saved down the road.
- **Take time to build relationships.** As reflected in the interviews, trust grows as relationships become stronger. Funders need to build in time at the beginning of the project to get to know the grantees and build relationships characterized by open, candid communication.
- **Demonstrate support for each grantee's mission.** It is much easier for a grantee to feel trust if the TS provider understands and supports the grantee's mission and project goals. Such understanding reduces the grantee's feeling that TS is generic and inapplicable and also increases the TS provider's ability to tailor the activities more appropriately to the grantee's needs.

Lesson 2: Define clear roles and responsibilities.

TCWF crafted a unique model for the implementation of each of its five initiatives. The size and scope of the grants, as well as the number and geographic distribution of participants, would have created an enormous administrative burden for the Foundation if it had elected to provide technical support itself. Instead, TCWF created a system of TS grantees and evaluators who would be responsible for the majority of contact with the initiative grantees under the oversight of TCWF program officers.

Overall, this model has been effective. The respective roles and responsibilities have become clearer over time, evolving with the initiatives. As planned, the utilization of outside service providers has leveraged TCWF's internal resources, particularly the time of its program officers. In

addition, utilizing TS grantees as capacity-building coordinators for the initiative grantees has helped create a network for the efficient employment of additional TS providers when needed.

At the same time, even though TCWF worked hard from the beginning to create clear roles and responsibilities for its program officers, the TS grantees and the evaluators, there were still occasional challenges. Following are the most common issues that TCWF had to address:

- **TCWF was in transition as an organization.** During the period of these initiatives, TCWF experienced changes in personnel and adjusted roles and responsibilities. For example, some program officers who were new to grantmaking assumed that they would provide TS directly to grantees. Instead, the role they were asked to play was to monitor the work of the external TS grantee.
- **The capacity-building structure created inherent challenges.** As described above, many initiative grantees initially viewed the TS grantees as agents of TCWF, and it took some time to overcome this perception. This situation resulted from the following elements of the initiative structure:
 - TS grantees had administrative responsibilities in addition to their TS duties.
 - TS grantees often were called upon to speak on behalf of TCWF regarding the initiatives.
 - Unlike most TS and consulting relationships, the TS grantees were accountable to TCWF rather than to the initiative grantees who received their services.

In fact, the TS providers' authority was sometimes perceived by initiative grantees as greater than it was in actuality, and this perception influenced their relationships. For example, some initiative grantees were reluctant to discuss problems requiring technical assistance to the same TS grantees who had administrative responsibilities and direct contact with TCWF.

Conversely, as TS grantees worked to gain the initiative grantees' confidence and present their needs to TCWF, they risked being seen as losing their impartiality and crossing the line to become the initiative grantees' advocates.

Recommendations for defining clear roles and responsibilities include:

- **Create roles and responsibilities based on desired outcomes.** In this case, TCWF created a unique set of roles and responsibilities to achieve its goals. By utilizing TS grantees, the Foundation was able to reduce its own administrative burden while creating long-term relationships between the TS grantees and the initiative grantees.
- **Document and communicate the roles and responsibilities clearly.** As noted in several places in this report, no matter how clearly a party thinks that it is communicating, the other party receives the information through filters of experience, hopes and concerns. As a result, it often takes time and multiple communications for both sides to achieve a truly mutual understanding. Clear documentation helps speed this process by providing a consistent reference source.

- **Anticipate misunderstandings.** Misunderstandings are an inevitable part of building new relationships. Anticipating them enables parties to communicate more carefully, recognize signs that clarification is needed and create a process for addressing misunderstandings. For example, in the case of TCWF’s initiatives, asking TS grantees to add administrative roles could be expected to raise concerns about independence and objectivity.
- **Follow up to ensure agreement.** Even when things seem to be running smoothly, it is helpful to check in periodically to test understanding and make sure everyone is in agreement. This can be done informally—through written and verbal communication—and formally through periodic evaluations.

Lesson 3: Incorporate sufficient start-up time.

TCWF received high praise from the interviewees for its thoughtful inclusion of considerable planning and start-up time for its initiatives. This time was used to give initiative grantees the opportunity to engage in program planning and gain a better understanding of the initiatives. Interviewees described the following benefits:

- **Better preparation led to less time lost during implementation.** Interviewees observed that having lead time before the formal term of the initiatives allowed them to prepare more effectively for implementation and allowed them to uncover and address some issues in advance.
- **The planning process provided the opportunity to build relationships.** During this period, initiative grantees in some initiatives spent time with one another and with TS grantees, evaluators and TCWF program officers in meetings and training workshops. Throughout the interviews, initiative grantees described their relationships with each other as one of the most valuable learning experiences in the initiatives.
- **The time was used to test and improve concepts and systems.** Many initiative grantees expressed appreciation for the opportunity they had to become acquainted with TCWF’s goals and strategies prior to implementation. As described in Lesson 10, when a relationship is beginning, all parties are limited by their own experience, and their communications are colored by their hopes and fears. Consequently, it is common for parties to take some time to arrive at a common understanding, even of fundamental concepts and goals. Likewise, mutual attention to the systems of administration, operation and communication give the parties the opportunity to get bugs out sooner than later.

Acknowledging the start-up time built in by TCWF, some interviewees suggested that even more time would have been helpful, based on the following challenges:

- **Differences existed among initiative grantees.** The initiative grantees were a diverse group, representing a broad range of experience and capabilities. Consequently, while some more

established organizations were able to proceed to implementation fairly quickly, others needed more time and support.

- **Some relationships were slow to build.** As described in Lesson 1, differences in cultural backgrounds and concerns about the capacity-building structure led some initiative grantees to be wary of the TS grantees and evaluators, impeding the communication needed for accurate assessment and skill building. Similarly, some of the TS grantees and evaluators needed a little time to gain the initiative grantees' confidence, as well as replace their own assumptions with a more accurate understanding of the initiative grantees' situations.

Recommendations to incorporate sufficient start-up time include:

- **Identify elements that might need early time and attention.** Although it seems obvious to say “build in more time,” it needs to be done with deliberation. Anticipating likely challenges will allow the planners to allocate time and resources to address them. Particular needs in the case of TCWF's initiatives were relationship-building, delineation of desired outcomes, clarification of roles and responsibilities and establishing a baseline understanding of initiative grantees' situations and needs.
- **Incorporate realistic, time-based expectations.** It is helpful to employ a timeline that reflects the funder's expectations of grantees' capacity-building growth. At the same time, it is important to be flexible and provide time ranges that can accommodate both foreseeable and unforeseen circumstances.

Lesson 4: Delineate specific goals and objectives.

The first question asked of interviewees was: “What is the ultimate purpose of the capacity-building grants?” Even though the various initiatives had different substantive goals and objectives, over time it became clear that participating organizations shared certain common capacity-building needs. At the same time, different initiatives reflected different understandings of capacity building. Most interviewees focused on the successful implementation of the programmatic aspects of the initiatives. A few interviewees took a broader view and described the desired outcomes in terms of organizational strength and sustainability. These differences in responses can be attributed to the following factors:

- **Differences existed among the initiatives.** The initiatives were developed by different groups of people and were implemented at different times, so differences are to be expected. Some TCWF program officers thought that their initiatives had been clear about capacity-building goals and objectives from the beginning, while other program officers thought that their initiatives could have been clearer in this regard.

- **Personnel turnover was an issue.** All of the groups of participants experienced some turnover of key personnel, including TCWF. As a result, individuals who were not present at the beginning of an initiative acknowledged that they did not know what might have been expressed as the original goals and objectives.
- **Parties' respective concerns varied.** Even where TCWF's goals and objectives may have been clearly expressed, initiative grantees' receptivity was sometimes colored by their own missions and goals, as well as their desire to gain the initiative grants. Therefore, in some instances initiative grantees may have minimized potential issues and then struggled when those issues in fact materialized.
- **Communication gaps existed.** The TS grantees' administrative roles sometimes led to confusion about TCWF's goals, objectives and policies. Initiative grantees report receiving conflicting information from different TS grantees, all of whom seemed to be speaking on behalf of TCWF. In addition, some initiative grantees thought that some of the TS grantees may have occasionally focused more on their particular roles than on the overall capacity-building goals and objectives.
- **Some groups faced internal competing interests.** Several of the initiative grantees reported that there were some challenges regarding goals and objectives because of internal differences in focus. For example, some grantees' program staff tended to concentrate on the programmatic needs of a particular initiative, while their executive directors tended to be more concerned with organizational development and sustainability.

Within the initiatives, goals were more clearly expressed but still challenging. For example, in several of the initiatives, initiative grantees were required to move beyond providing services to engaging in advocacy. Many initiative grantees reported the difficulty they had making the transition but ended up celebrating their achievements and expressing a sense of greater empowerment and connection to their communities.

Recommendations for delineating specific goals and objectives include:

- **Develop internal clarity regarding the definition, purpose and goals of capacity building.** From the interviews, it appears that "capacity building" is one of those terms that, while generally understood, can vary considerably in application. Therefore, it is important for a funder's own staff to be clear at the outset about its own definition, purpose and goals for capacity building. This clarity will facilitate clear and consistent communication among all interested parties.
- **Document the important elements.** Because organizations evolve over time, it is important to document the funder's definitions, goals and objectives. The documentation should be prominent and accessible so that the parties can easily reinforce their understanding periodically. Documentation is also critical to help reduce the impact of turnover by making important information immediately available to new personnel.

- **Initiate a dialogue among all affected parties.** Some initiative grantees either questioned or did not understand some of the capacity-building aspects of the initiatives. Such doubts and misunderstandings are natural and foreseeable. Consequently, all the parties should engage in a dialogue early on in order to achieve a better understanding of the funder's objectives. In addition, the funder can gain a better appreciation of the grantees' needs and adjust program elements accordingly. An ongoing, open dialogue will also help address any communication gaps.
- **Include grantee management and board members where appropriate.** Several interviewees suggested that it would help ground capacity building within an organization if the funder included the grantee's board and senior management in the initial discussions and goal setting. The purpose of this suggestion is to engender greater understanding and support internally, as well as to create stronger relationships between the grantee and the funder.

Lesson 5: Provide sufficient resources to meet the goals and objectives.

TCWF received high praise for the amount and type of resources it made available to initiative grantees. While they had suggestions for individual aspects of the capacity-building program, initiative grantees were appreciative that TCWF focused not just on its own programmatic goals but also on the long-term sustainability of the initiative grantees. A few interviewees reported that when resources were insufficient at the beginning of an initiative, TCWF increased them.

Of course, sufficient resources means more than just the dollar amounts of the grants. It includes a time frame appropriate to achieve the desired outcomes, as well as the time and attention of the appropriate personnel. In this area, responses were somewhat mixed, although generally positive:

- **Some initiative grantees felt that they needed more time to get oriented to TCWF's program.** As discussed in Lesson 3, start-up time is important. At the same time, it is challenging to recognize and accommodate the needs of numerous diverse grantees.
- **Key personnel have a great impact on program success.** Throughout the interviews, it was obvious that organizations with more experienced leadership grasped the concepts and progressed toward the desired outcomes much more quickly than others. Similarly, interviewees generally gave TCWF program officers high marks and noted the importance of experienced and committed individuals in those positions.
- **Personnel turnover was one of the biggest sources of frustration and delay.** All interviewees, including TCWF program officers, described the detrimental impact of employee turnover. Valuable experience invariably was lost when a key individual left for other employment, leading in some instances to a temporary loss of acquired capacity. In addition, knowledge and understanding were lost, and concepts that may have been clearly expressed at the beginning of the initiatives were not as well known or appreciated later.

Recommendations to provide sufficient resources include:

- **Perform careful research prior to setting the budget.** It is important that the funder first have a good understanding of the grantees' needs in order to estimate the resources needed to address them. In addition, budget setting should be an iterative process with the flexibility to adjust resources in response to needs. By far, the majority of interviewees expressed appreciation for the level of funding provided by TCWF. In only one initiative did anyone feel that TCWF had underestimated the necessary budget.
- **Provide clear and consistent guidelines to grantees regarding budgets.** Several grantees expressed disappointment that TCWF had arbitrarily reduced their grant requests. These grantees felt that they had already understated their needs in order to obtain the grants and wondered in retrospect whether they should have “padded” their requests to get what they needed.
- **Anticipate and address personnel turnover.** One way to mitigate the effects of turnover may be to require each organization to provide more than one participant in TS activities so that skills are backed up within the organization. One initiative grantee also described training community members to provide certain services so that the skills remained within the community.

Lesson 6: Select appropriate TS providers.

It is obvious that TS providers need to be high quality. Education, experience and past professional achievements will certainly be indicative of quality, but not determinative of a provider's ability to work successfully with grantees. Especially with the community-based initiative grantees, the TS grantees were challenged to establish effective working relationships for the following reasons:

- **Cultural differences affected relationships.** Some initiative grantees found certain TS grantees' working styles too dry and academic and felt that they did not relate well to the needs of the initiative grantees' communities. It is unclear how much of this was due to real differences and how much was due to these initiative grantees' own biases and assumptions—as well as the biases and assumptions of the TS grantees. Regardless, the axiom that “perception is reality” holds true in this instance, and some TS and initiative grantees encountered obstacles to a successful working relationship.
- **Initiative grantees wanted TS providers from their own communities.** Some initiative grantees felt that TS providers from their own communities could better understand and address their needs. In fact, many interviewees stated that, where TS providers were either locally based or shared similar backgrounds, the relationships progressed more smoothly.
- **Grantees have more trust and respect for TS providers who support their missions and goals.** A recurring theme is that a relationship characterized by mutual trust and respect greatly facilitates the capacity-building process. Initiative grantees were more receptive

toward TS grantees who demonstrated understanding, respect and support for the initiative grantees' missions and goals.

- **Grantees wanted the ability to select their own TS providers.** Many initiative grantees wanted to be able to have a say in the selection of their TS providers. For the most part, and as discussed below in Lesson 8, the initiatives included the flexibility for TS grantees to help select and fund TS providers to meet needs not already covered in the existing program.

Recommendations for selecting appropriate TS providers include:

- **Be aware of differences in community and culture.** In many cases, the appropriate TS resources will not be available in a given community. Nonetheless, the funder can facilitate a better working relationship by bringing to the surface and addressing real and perceived differences in community and culture. In addition, the process for selecting a TS provider can incorporate diversity factors and can test for experience, awareness and sensitivity regarding the community in question, its issues and needs.
- **Provide the opportunity for TS providers and grantees to meet informally prior to beginning the TS relationship.** As with other aspects of the capacity-building process, providing the opportunity for the parties to meet and get acquainted before beginning their work together can help reduce concerns, lower barriers and increase trust.
- **Encourage grantees to provide input into TS provider selection.** While a grantor may have TS providers it prefers, giving grantees some input into the selection process may be beneficial. In TCWF's initiatives, some initiative grantees seemed to resist working with some TS providers because they did not know the providers, did not trust their backgrounds and felt that the TS providers were imposed on them without consideration of community needs.
- **Utilize the services of nonprofit groups and associations.** A number of interviewees noted that some nonprofit groups and associates provide TS services. They suggested utilizing these, where appropriate, to help leverage resources and increase networking opportunities.

Lesson 7: Implement effective needs assessment.

A needs assessment is essential prior to starting a capacity-building program. An effective needs assessment identifies real needs, conserves and focuses resources and promotes effective TS delivery. Effective needs assessment is not as simple as providing a menu of available TS, and even the most thorough questionnaires may not accurately capture the grantees' needs for the following reasons:

- **A grantee may not know what it does not know.** When confronted with a new concept, without the experience and context to appreciate it fully, a grantee cannot be expected to understand and express its needs. This fact was supported in numerous interviews and

reinforced by initiative grantees' hindsight realization that they greatly needed the skills they acquired during the course of the initiative, but were not able to foresee.

- **Fear of losing a grant may affect grantee candor.** Some grantees observed that they were afraid to reveal their weaknesses for fear of losing the grant. This is especially significant where the programmatic objectives of the grant might require the development of new skills.
- **The assessor may be limited by its own experience and assumptions.** Just as the grantee does not know what it does not know, the assessor may be similarly ignorant of important elements of a grantee's situation. Therefore, assessing a grantee based only on the assessor's experience in other communities may not lead to results accurate enough to design an appropriate capacity-building program.

Recommendations for an effective needs assessment include:

- **Create a relationship with the grantee prior to assessment.** Especially where there are significant differences in culture and background, a funder should spend time with the grantee and create a degree of comfort and trust prior to performing a needs assessment.
- **Take steps to understand the grantee's world and reflect it in the assessment process.** Undertaking research on the grantee's situation will yield two benefits: 1) it will produce real information that will help the grantor understand the grantee; and 2) it will demonstrate the funder's interest in and concern for the grantee's situation and help create trust.
- **Educate grantees about the capacity-building program, including its purpose, process and desired outcomes.** Some interviewees suggested starting with a workshop on capacity building to help grantees understand it better. Such a workshop could include modules on capacity-building concepts like technical support and sustainability, needs assessment, desired outcomes and selecting and managing TS providers. Workshop participants could include organizations similar to the grantees with more experience and success stories to share. In addition, the workshop could include exercises and activities to help raise the grantees' awareness of the basic elements of sustainability and apply these elements to the grantees' current situations.
- **Verify needs assessment results.** Many initiative grantees reported a desire for more useful feedback on the evaluation data that they submitted to TCWF. Such feedback is also useful for needs assessment. The assessor should have a dialogue with the grantees in order to test and verify the assessment results and, where appropriate, refine them.

Lesson 8: Complement structure with flexibility.

As in many situations, one size does not fit all in capacity building—especially in a group as diverse as TCWF's initiative grantees. Many initiative grantees reported that, over time, the standardized offerings seemed less relevant to their needs. While they understood and appreciated

the need for a menu to address core skills, they also found that they benefited from specialized TS tailored to their needs.

Therefore, while it is definitely important to define a baseline of core skills, and to have the corresponding TS available, a complete capacity-building plan will also provide the resources for grantees to access individualized TS. Fortunately, the initiative grantees reported that the model created by TCWF allowed them to do just that. Most of them expressed appreciation for the way that the TS grantees helped them locate and retain TS providers on an ad hoc basis to meet their needs. At the same time, some initiative grantees expressed the desire to learn to do more for themselves in this regard.

Recommendations to complement structure with flexibility include:

- **Define core skills and create a menu of TS opportunities to build those skills.** Some initiative grantees realized part way into their grant periods that they lacked certain fundamental skills. Nearly all recognized the value of having a baseline definition of skills necessary for sustainability. The needs assessment should help the grantor determine which grantees need skill improvement in which areas.
- **Anticipate and provide for unforeseen issues and needs.** It is natural that, as grantees evolve, they will come to understand previously ignored needs or develop new ones. In preparation for this situation, the grantor should provide grantees with a certain amount of funds for ad hoc capacity building.
- **Help grantees build the capacity to determine their needs and choose and manage TS providers.** An important part of capacity building is developing the ability to assess one's own needs, but many grantees have not had a great deal of experience selecting and managing TS providers. To this end, funders should help grantees develop greater self-sufficiency with regard to identifying needs and obtaining TS.
- **Provide a clear menu of TS offerings within the larger context.** Grantees commented that it was helpful to have a menu of available TS. At the same time, some of them reported feeling overwhelmed by the scope and number of offerings. Therefore, it is advisable to provide context by first describing the overall capacity-building program. This description could be followed by a clear description of each offering, together with guidance as to when and how an organization might find it useful.

Lesson 9: Employ meaningful monitoring and evaluation.

One of the huge surprises—and successes—of TCWF's capacity-building component of its initiatives was the role played by its evaluators. The surprise is that, to a large extent, the evaluators had not expected to play a capacity-building role.

Numerous initiative grantees reported that, when the evaluators perceived how unprepared the initiative grantees were to participate in the periodic evaluations, the evaluators became TS providers, educating the initiative grantees on the purposes and benefits of evaluation. In addition, they helped the initiative grantees acquire the skills of gathering, implementing and utilizing data.

The impact on the initiative grantees was profound, with some reporting that this was the first time they had understood the value of data. They gained an appreciation of how evaluation could help them strengthen their organizations and achieve their goals. Several initiative grantees reported a tremendous sense of empowerment as a result, together with a confidence in their ability to have a greater impact within and on behalf of their communities. At the same time, the evaluation component of the initiatives had its challenges:

- **Initiative grantees initially resisted evaluation.** For the reasons already described in Lessons 1 and 2, some initiative grantees were slow to trust the evaluators enough to feel comfortable being evaluated. In particular, initiative grantees misunderstood the purposes of evaluation, fearing that adverse results would lead to funding cuts.
- **Some initiative grantees felt that the evaluation process was burdensome.** The frequency of evaluations and administrative requirements varied among the initiatives, but some initiative grantees felt that they were evaluated too frequently for the evaluations to reveal significant new information. Interviewees differed on whether the paperwork was burdensome. Most evaluators and a few initiative grantees opined that the level was about right, and quite a few initiative grantees felt that there was too much reporting and paperwork. Several initiative grantees thought that the TS providers' and evaluators' own grant reporting obligations to TCWF added a layer of reporting that often requested data redundant to that already provided under the initiative grantees' evaluations.
- **Initiative grantees wished for practical feedback on the evaluation data.** Many initiative grantees reported that the data flowed in one direction. They felt that they provided a tremendous amount of information to TCWF without receiving feedback that would let them know where they stood and how to improve. In a related vein, some initiative grantees felt that some of the evaluation data was geared less to their needs than to the evaluators' own reporting requirements.

Recommendations for effective monitoring and evaluation include:

- **Ensure that grantees understand the purpose and impacts of evaluation.** First, perhaps in conjunction with the needs assessment process, the funder should clarify its evaluation process. Grantees need to understand that the purpose is to assess progress in order to determine ongoing needs and focus resources, not to judge them or cut their funding (except according to clear, predetermined criteria). In addition, it is helpful for grantees to be able to relate evaluation results not only to specific programs, but also to their overall organizational development.

- **Create an evaluation process that collects information in the most efficient, least burdensome method possible.** When designing the process, the funder should be economical in determining what information is needed, how it is collected and how often. For example, one initiative grantee suggested a full annual survey with a short semiannual narrative update.
- **Include a feedback loop to enable grantees to learn from their own evaluative data.** After the evaluation, it is important to let grantees see their results and understand how they will be used. Providing this feedback accomplishes the following:
 - Grantees receive valuable information that helps them understand and address their situations.
 - Grantees have greater faith in and comfort with the funder's use of the evaluative data.
 - Grantees gain respect for the evaluative process rather than suspecting that data is collected for its own sake and never used.

Lesson 10: Maintain effective communication.

Effective communication is a critical element at the heart of a successful capacity-building program. Many of the successes described in this report are the result of good communication, and most of the challenges also have a communication component.

Communication is the lubricant that keeps all of the parts of the program running smoothly. It allows goals and objectives to be understood, needs to be assessed, TS to be provided and feedback to be given. Properly working elements can be reinforced and weaknesses addressed. The interviews yielded the following examples of effective capacity building of communications:

- **Initiative grantees acquired evaluation skills.** Early on, evaluators had difficulties performing their evaluations and realized that some initiative grantees lacked evaluation experience and skills. The evaluators were able to work with the initiative grantees to transfer those skills. Initiative grantees reported that the acquisition of evaluation skills was one of their most valuable capacity-building experiences.
- **An electronic community was created among initiative grantees.** In at least one instance, initiative grantees were pushed to acquire and use computer technology. Electronic communication via e-mail and listservs quickly became a frequent and valued medium for requesting and providing advice among the grantees.
- **Initiative grantees increased their ability to support one another.** As they got to know one another, initiative grantees found that some of their most valuable TS came from one another. They especially valued the opportunity to gather periodically to share information and experiences.

- **TS grantees and evaluators were responsive to initiative grantees.** Many initiative grantees described the TS grantees and evaluators as being very responsive to feedback. As a result, initiative grantees were able to acquire more focused and individualized TS to meet their needs.

Especially at the beginning, the following communication challenges were evident:

- **A lack of a common understanding existed regarding capacity building.** As noted in Lesson 4, initiative participants did not appear to share a common understanding of the definition of capacity building as well as some of TCWF's goals and objectives. When a clear alignment of these concepts was not established within TCWF, it was difficult to communicate them to the TS providers, initiative grantees and evaluators.
- **A need was identified for more candid assessment and communication about evaluation.** In Lesson 1, it was shown how issues of trust initially impeded clear and candid communication among the initiative grantees, the TS grantees, evaluators and TCWF staff. As a consequence, initiative grantees' needs were not identified and addressed as quickly as they might have been.
- **Grantees desired evaluation feedback.** A number of initiative grantees expressed the desire for feedback regarding their evaluation data so that they could use it to improve their organizations or programs.

In addition, several initiative and TS grantees noted the important role played by TCWF administrative assistants. There were examples of administrative assistants who helped facilitated communication among initiative and TS grantees, as well as administrative assistants who were thought to make communication more difficult.

Recommendations to maintain effective communication include:

- **Address communication elements within roles and responsibilities.** When roles and responsibilities are first defined, include clear responsibilities regarding communication.
- **Encourage all participants to notice and address the impact of diversity on communication.** Where diversity is a factor within and among the various groups of participants, encourage them to acknowledge and address the assumptions about themselves and one another that might impede communication.
- **Be aware of other obstacles to open and honest communication.** For example, recognize that grantees are often reluctant to discuss problems and needs with funders and others who are perceived to have power over their funding.

- **Test for understanding and real agreement.** Do not assume that something has been understood just because it has been said or written clearly. Ask questions to test for understanding. And where agreement is required, understand the difference between someone's expressions of accord and passive resistance.
- **Remember that all parties are on a learning curve vis-à-vis one another.** To maintain mutual respect and keep the lines of communication open, it is important for all parties to remember that they all bring knowledge and experience to their relationships. All parties need to understand and acknowledge that they can learn from one another and should reflect this approach in their communications. The result will be a greater sense of partnership with increased mutual respect and cooperation.

CONCLUSION: THE INDICATORS OF CAPACITY

A number of unanticipated successes occurred during the course of TCWF's initiatives that can be incorporated into future capacity-building efforts.

This document distills many lessons learned from TCWF's five initiatives. All of these Lessons emerge from a combination of talent, hard work and the generous and careful application of resources. At the same time, the Lessons also reflect opportunities for TCWF to improve on the model it first implemented in its Violence Prevention Initiative and has modified over the course of all five initiatives.

In addition to the Lessons, several important surprises stand out in the interviews—important because they indicate the very real success of the initiatives' capacity-building components. Some of these are the expected results of a successful program. Others may not have been anticipated but can now be seen as logical results. The following positive outcomes should all be considered in future plans for capacity-building projects.

- **Grantees acquired strong evaluative skills.** As described in Lesson 9, initiative grantees were most surprised and excited by their acquisition of evaluative competence. Some interviewees reported that, for the first time, they understood how to collect, analyze and employ data to further their mission and goals. From these new skills, they experienced a strong sense of empowerment and a renewed faith in their possibilities. This development is especially significant when one considers that many initiative grantees were initially wary of evaluation, seeing it as a way to expose weakness and threaten their funding.
- **A strong network emerged among initiative grantees.** Initiative grantees expressed a great deal of gratitude for the formal TS provided by the TS grantees and evaluators, especially at

the outset. Many initiative grantees reported that, over the course of the initiatives, and as they grew in experience, their most valuable information came from each other, through regular electronic communications and from periodic gatherings.

- **TS recipients became TS providers.** Many initiative grantees were surprised to find themselves providing TS to one another and to members of their communities. As they did so, they understood even more clearly the skills that they had been developing, and they gained confidence and pride. In addition, the process of providing this assistance further grounded and deepened their own capacity. To modify an old adage: “Those who can, teach.”
- **A qualitative shift occurred in initiative grantees’ understanding.** In Lesson 7, we stated that one of the challenges to effective needs assessment is the gap in grantees’ understanding of needed skills, i.e., they don’t know what they don’t know. Many initiative grantees expressed a qualitative shift in their understanding as a result of their experience with the TS grantees and evaluators. First, they appreciated their new skills. Second, they were able to relate their growth back to the beginning and see 1) how they hadn’t known what skills they needed, and 2) how the new skills were interrelated and would contribute to their long-term sustainability.
- **Community support added value.** One surprise frequently expressed by initiative grantees was how much their communities supported them and wanted them to succeed. In fact, community support was found to be a strong contributor to sustainability, enabling an organization to become less dependent on external sources of financial and technical support. Initiative grantees reported that they were able to leverage their resources through community volunteers and part-time employees. At the same time, they were able to mitigate some of the effects of turnover by building capacity in these community members.

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Laura Campobasso is founder and president of Progressive Strategies, a resource and training firm dedicated to creating organizational capability in health, conservation and social development communities. She is also the executive director of the Whitecap Foundation. Her past experience includes serving as director of World Wildlife Fund’s Organizational Development Program, as a management consultant with Coopers & Lybrand, an international accounting and consulting firm, and as the resident economic and policy advisor to the Government of St. Kitts and Nevis, West Indies. Dan Davis is an associate with Progressive Strategies and a consultant. He has an extensive background in both managing and implementing all aspects of communication strategy design and technical writing. His previous experience includes work in the fields of mediation, economic development, international finance and law.

THE CALIFORNIA WELLNESS FOUNDATION

Headquarters

6320 Canoga Avenue
Suite 1700
Woodland Hills, CA 91367
818 593.6600 phone
818 593.6614 fax

Branch Office

One Kearny Street
Ninth Floor
San Francisco, CA 94108
415 217.3700 phone
415 217.3709 fax

Website

www.tcwf.org