



Objectives

- Learn how donors/investors identify high performing organizations
 - Understand key attributes of top-performing NPOs
 - Identify ways to drive improvement



Who is your customer?



What do 21st century donors expect?

Goal Move 250,000 people out of poverty by 2020.

Progress 250,689 fewer people in poverty than projected.

We will goals measure progress and improve philanthropy across North Texas. We focus on the most pressing needs in our community. And identify local problems that aren't being addressed and develop unique solutions for them. Our focus on financial stability covers three distinct areas.

Financial Stability

NEED	PROGRESS
\$2.9 million to provide adults learning to get back to work and help their kids succeed in school	130,000 people in poverty have found better jobs, 2,400 people have been matched with mentors, and 2,400 people have been connected to better young jobs

Education Mobility

NEED	PROGRESS
\$2.3 million to help families move from low-income to middle-income levels and ensure their children succeed in school	27% people in poverty have graduated from high school or college

Health Needs

NEED	PROGRESS
\$1.4 million to address economic needs, providing food, shelter and other basic necessities	12 people have graduated from our health services. Over 1,000 people have been connected to affordable health care and received free services.

UNITED WAY PROGRAMS

- Financial Stability
- Education Mobility
- Health Needs

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Mission realization

- Assurance that investment is making a difference
- Confirmation that investment is furthering mission
- Tangible results

Efficiency

- Financial stewardship
- Effective management



Transparency

- Increased expectations
- Visibility of:
 - Financial management
 - Expense reporting
 - Program execution





Accountability

- Responsive
- Accurate
- Specific





Key attributes of high-performing NPOs





Effective nonprofits

- Create transformational change
 - Engage people in their cause
 - Grow, innovate, and adapt to a rapidly changing environment
 - Stay inspired and inspire others
 - Run their organization in accordance with their mission and principles
 - Are thought leaders in their field
 - Sustain their operations





Set & work toward high-level goals

- Process is thorough, thoughtful and focused on creating impact
 - High-level goals are guiding light for organization
 - Goals are proposed, discussed, written down and a metric to evaluate success is assigned to each and every goal.
 - Organizational goals encompass:
 - Long-term
 - Short-term
 - Programmatic
 - Financial





Proactively engage donor base

- Relationship management
 - Retention
 - Pipeline development
 - Segmentation





Build relationships

- Establish and grow networks
- Stewardship





Meet constituents where they are

To help effectively, they must understand:

- What drives the community to serve and act?
- What's important to them?
- What prevents them from acting?

Meet the community at their knowledge level:

- Avoid the use of jargon and "inside baseball" talk.
- Speak to everyone in universal language that everyone can understand.
- Proactively tweak messaging so it's accessible for everyone — especially people who are not familiar with your cause.





***Collaborate and build coalitions***

- Find like-minded nonprofits and community groups
- Meet to discuss partnering to further your shared cause
- Brainstorm ideas
- Create “win-win” situations for all involved
- Set and work on goals

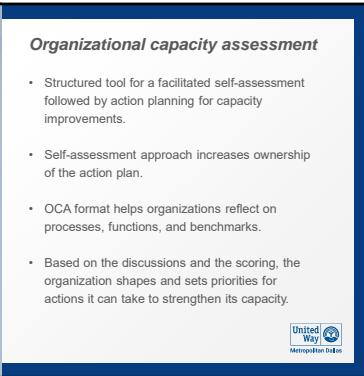
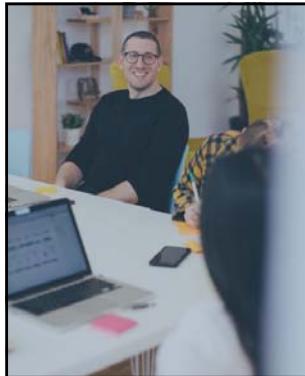
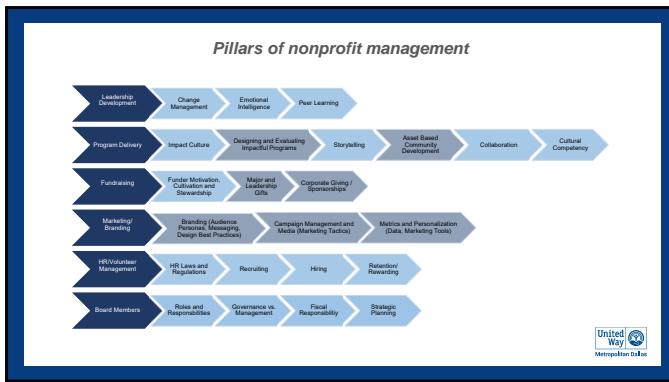


***Table talk***

- What are you doing well?
- What are opportunities for growth?



***Building a high-performing NPO***



Organizational Capacity Assessment Grid (OCAG)

	1 Clear need for increased capacity	2 Basic level of capacity in place	3 Moderate level of capacity in place	4 High level of capacity in place
Mission	No explicit mission or similar expression of the organization's reason for existence; lacks clarity, or is vague, and may be very few in organization or rarely referred to	Some expression of organization's reason for existence reflects its values and purpose, but may lack clarity, or is vague, and may be very few in organization or rarely referred to	Clear expression of organization's reason for existence which reflects its values and purpose, but may lack clarity, or is vague, and may be very few in organization or rarely referred to	Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose, broadly held within organization, and is frequently referred to
Vision (Clarity and Boldness)	No clear vision articulated and little connection made between organizational aspirations beyond stated mission.	Vision exists, but is not bold yet inspiring. Organizational aspirations are unclear, held only by a few, and are rarely used to decision making.	Vision is clear and specific about organization's future direction, held by many and frequently used in decision making. Organizational aspirations are unclear, held only by a few, and are rarely used to decision making.	Clear, specific, compelling vision that inspiring, bold, and aspirational and is widely held across the organization. It is used consistently to set priorities and direct actions.
Overall Strategy	Strategy is either nonexistent, or is not clearly articulated, or is not well developed, and has no influence over day-to-day behavior.	Strategy exists but is either not well developed, or lacks coherence, or is not easily actionable; strategy is not clearly communicated, and has little influence over day-to-day behavior.	Coherent strategy has been developed and communicated, and is both achievable and linked to overall mission, vision, and overarching goals; strategy is broadly known and consistently adopted by most staff who usually use them in their day-to-day behavior.	Organization has clear, coherent strategy that is well developed, and is both achievable and linked to overall mission, vision, and overarching goals; strategy is broadly known and consistently adopted by most staff who usually use them in their day-to-day behavior.
Goal/ performance targets	Targets are irrelevant to key programs, or are vague, or confusing, or either too easy or impossible to achieve.	Targets are relevant to key programs, and are mostly aligned with aspirations and strategy; may lack specificity, and are somewhat scattered and not fully integrated into overall strategy.	Targets are aggressive in most areas, linked to aspirations and strategy; mainly focused on "outputs/outputs" (e.g., number of clients served, infections, or mostly focused on "inputs" (e.g., number of staff trained), through which staff may or may not know how to adopt targets	All programs have clear, quantifiable, generally demanding performance targets in all areas; targets are tightly linked to mission and strategy, output/outcome-focused (i.e., results of doing things right), as opposed to input/outcome-focused (e.g., number of clients served, and are long-term nature; staff consistently adopts targets and works diligently to achieve them

Organizational Capacity Assessment Grid (OCAG)

Program relevance and integration	Core programs and services vaguely defined and lack clear connection with mission and goals; programs seem scattered and largely unrelated to each other	Core programs and services well defined and on the way to being aligned with mission and goals; program offerings may be somewhat scattered and not fully integrated into overall strategy	Core programs and services well defined and aligned with mission and goals; programs fit together well and form a clear strategy	All programs and services well defined and aligned with mission and goals; programs are somewhat linked to one another, and overall integration synergies across programs are captured
Program growth and replication	Limited ability to scaling up existing programs or limited ability to scale up or expand existing programs	Occasional assessment of possibility of scaling up existing programs and when judged appropriate, often or limited action occasionally taken to support scaling up or replicate existing programs	Frequent assessment of possibility of scaling up existing programs and when judged appropriate, often or limited action occasionally taken to support scaling up or replicate existing programs	All programs and services well defined and aligned with mission and goals; programs are closely linked to one another, and overall integration synergies across programs are captured
Funding Model	Organization highly dependent on a few funders, largely of same type (e.g., government foundations or private individuals)	Organization has access to multiple types of funding source (e.g., government, foundations, individuals) with only a few funders in any one category (e.g., government or foundation); some activities to hedge against dependence on one funding source (e.g., endowment); organization has developed some sustainable revenue generating programs	Solid basis of funds in most types of funding source (e.g., government, foundations, individuals) with only one or two types of funders	Highly diversified funding across multiple source types; organization insulated from potential market fluctuations; organization has developed a funding model that provides stable revenue streams; organization has developed sustainable revenue generating programs, and has a mix of funding sources
Performance Measurement	Very limited measurement, and tracking of outcomes, all or most evaluation based on outcomes, and organization collects some data on program activities (e.g., number of children served) but has no social impact measurement (measures outcomes, e.g., drop-out rate lowered)	Performance partially measured, and progress partially tracked; organization regularly collects solid data and outputs (e.g., number of children served) but lacks data driven, externally validated social impact measurement	Progress tracked in multiple ways, several times a year, considering social, financial, and organizational impact	Very developed comprehensive, integrated system (e.g., balanced scorecard) used for measuring organization's performance and progress across social, financial, and organizational metrics; small number of clear, measurable, and meaningful key performance indicators; social impact measured based on data collected by organization and performed or supervised by third-party experts

Organizational Capacity Assessment Grid (OCAG)

Human resources planning	Organization chooses and/or addresses HR needs only when too large to ignore; lack of HR planning, no formal HR plan (either internal or accessible outside organization), no experience in HR planning	Some ability and tendency to develop and refine HR plan either internally or via external assistance; HR planning carried out on occasion, and may be limited to strategic planning activities and roughly guides HR activities	Ability and tendency to develop and refine concrete, realistic HR plan; some internal expertise in HR planning, and may seek some external assistance; HR planning carried out on regular basis, and may be used to guide strategic planning activities and used to guide HR activities	Organization is able to develop and refine concrete, realistic, and detailed HR plan; has critical mass of internal expertise in HR planning (e.g., HR manager, HR department); organization uses external, sustainable, highly qualified expertise to support HR planning activities, and regularly, HR plan tightly linked to strategic planning activities and systematically used to direct HR activities
Fundraising	Generally weak fundraising skills and lack of expertise (either internal or access to external expertise)	Main fundraising needs covered by some combination of internal skills and expertise, and access to some external fundraising expertise	Regular fundraising needs adequately covered by well-developed internal fundraising skills; occasional access to some external fundraising expertise	Highly developed internal fundraising skills and expertise in all funding source types to support all regular needs; access to external expertise for additional and auxiliary needs
Revenue generation	No internal revenue generation, and organization has no revenue-generating concepts such as cause related marketing, fee-for-services and regular fees are neither explored nor pursued	Some internal revenue generation, and organization has some revenue-generating concepts; contribution is marginal; revenue-generating concepts come from senior management and often be up senior management team	Significant internal revenue generation, and organization has revenue-generating concepts; these activities provide substantial funds for program delivery, but require significant financial resources	Highly developed internal revenue-generation concepts; these activities provide substantial funds for program delivery, and organization has revenue-generating activities that focus on creating social impact
Partnerships and alliances development and nurturing	Limited use of partnerships and alliances with public, nonprofit, or for-profit entities	Early stages of building relationships and collaborating with other for-profit, nonprofit, or public sector entities	Effectively built and managed some key relationships with diverse parties (e.g., for-profit, public, and nonprofit entities); however, some relationships may be precarious or not fully "win-win"	Well developed, and maintained strong, high-impact, relationships with variety of relevant parties (local, state, and federal government entities as well as for-profit, nonprofit, and public sector entities); strong, relationships deeply anchored in stable, long term, mutually beneficial collaboration

Organizational Capacity Assessment Grid (OCAG)		
Local community presence and involvement	Organization's presence either not recognized or generally, not regarded as positive within the local community (e.g., academics, other community), constructively involved in the community.	Organization's presence somewhat recognized, and generally regarded as positive within the community, and perceived as open and responsive to community needs; members of larger community constructively engaged with organization.
Public relations and marketing	Organization is not or limited, PR/marketing general lack of PR/marketing skills or expertise (either internal or accessible external or expert).	Organization's PR/marketing skills or expertise (either internal or accessible external or expert) are utilized to engage PR/marketing as they arise, PR/marketing skills or expertise within staff or via external assistance.
Management of legal and liability matters	Organization does not anticipate legal issues, but finds help and advice necessary when they arise; property insurance includes liability coverage.	Influencing to be useful, and advocate seeks opportunities to engage in these activities critical to internal expertise and experience in PR/marketing or access to relevant external assistance.
Organizational processes use and development	Limited and/or processes (e.g., decision-making, planning, review) for ensuring effective functioning of the organization; processes is variable, or processes are seen as such (e.g., no risk assessment, no monitoring or assessment of processes	Legal support resources identified, readily available, and employed in "as needed" basis; processes known, used, and fully accepted by only portion of organization; processes are not well-defined, with few improvements made in consequence.
		Processes are clearly visible and consulted in planning, routine legal risk management and occasional review of insurance.
		Well-defined, efficient and efficient internal legal infrastructure for day-to-day legal work; additional resources available to handle legal issues, able to cover peaks and extraordinary cases; continuous legal risk management and regular adjustment of processes.
		Note: Legal support resources identified and/or processes (e.g., decision-making, planning, review) are in place in all areas to ensure effective and efficient functioning of organization; processes are widely known, used, and accepted by majority of organization; impact of processes, with some improvements made in consequence.

Organizational Capacity Assessment Grid (OCAG)		
Staffing levels	Many positions within and peripheral to organization (e.g., administrative, business, professional, etc.) are vacant; high turnover and/or poor attendance.	Most critical positions within and peripheral to organization (e.g., executive, senior management, board, senior management) are staffed (no turnover or attendance problems)
Board – composition and commitment	Membership with limited diversity of fields of practice and expertise; director(s) are not fully informed of constituencies (from among academic, corporate, government, etc.) and lack experience; low commitment to organization's success, vision and mission; management and/or poor attendance	Some diversity in fields of practice; membership represents a fair cross-section of constituencies (from among academic, corporate, government, etc.) and fully informed of constituencies; success, vision and mission; regular, purposeful meetings are well-planned and attendance is good overall
Board – involvement and support	Provide little direction, support, and guidance; board not fully informed about "material" and/or major organizational issues; largely "feel-good" support	Provide occasional direction, support and guidance; board fully informed about "material" matters in a timely manner and responsive; decisions actively solicited
		Provide strong direction, support and guidance; board fully informed about leadership and engaged as a strategic resource; communication is timely, clear, and responsive; board shows respect, appreciation for roles and responsibilities, shared commitment and valuing of collective wisdom

Organizational Capacity Assessment Grid (OCAG)		
CEO/ Executive Director	Low energy and commitment; has difficulty balancing the social impact and financial requirements of the organization; unable to inspire others; not effectively develop team, operate organization, and build relationships; ineffective interpersonal relationships; unable to analyze rather than strategic analysis; is uncomfortable with ambiguity.	Good energy and stable commitment; prioritizes social impact to the detriment of making financially viable decisions; unable to inspire others around vision for the organization; recognizes financial soundness is essential for the organization's long-term viability; able to build relationships over time, able to cope with ambiguity; able to generate strategy, understand basic financial concepts and applies them to major decisions.
Management team and staff – dependence on CEO/ executive director	Very strong dependence on CEO/ executive director; organization would cease to exist without his/her presence.	Limited dependence on CEO/ executive director; organization would continue to exist without his/her presence, but likely in a very different form.
Senior management team	Fair to or very limited experience in nonprofit or for-profit management; team represents few constituencies (nonprofit, academic, corporate, government, etc.) and has no or very limited capacity and track record from other fields; good track record of learning and personal development; highly energetic and committed	Fair to significant experience in nonprofit or for-profit management; team represents most constituencies (nonprofit, academic, corporate, government, etc.) and has significant relevant capabilities and track record from other fields; good track record of learning and personal development; highly energetic and committed

Organizational Capacity Assessment Grid (OCAG)			
Staff	Staff drawn from a narrow range of backgrounds and experiences; inherent and abilities tend to be similar; may be less able to solve problems as they arise	Some variety of staff backgrounds and experiences; good capabilities, including some ability to learn and develop; interested in their current job and in the success of the organization's mission	Staff drawn from extraordinarily diverse backgrounds and experiences; bring broad range of skills, most are highly capable in multiple roles, committed and bring a broad range of skills; most are eager and able to take on special projects and strategy; eager to learn and develop and assume increased responsibility
Volunteers	Limited abilities; may be unreliable or have low commitment; volunteers are poorly managed	Good abilities; mostly reliable, loyal, and committed to organization's mission; volunteers manage but with assistance as time permitting	A diversity of skills and interests; bring complementary skills to organization; reliable, loyal, and committed to organization's success and to "making things happen"; often beyond call of duty; able to work in a way that serves organization's mission; volunteers are well-managed, most are eager and able to take on special projects and strategy; volunteers are frequent source of ideas and momentum for overall success of organization
Financial operations management	Gifts and grants deposited and acknowledged; bills paid; accounting information collected/retained	Financial activities transparent, clear, and communicated; organization's financial processes, including appropriate checks and balances, are tracked to approve	Formal financial controls governing all financial operations, fully tracked and communicated; organization's financial processes, including appropriate checks and balances, and tracked to approve
Physical infrastructure – buildings and office space	Inadequate physical infrastructure leading to loss of effectiveness and efficiency (e.g., unfavorable location, too many employees, insufficient workspace for individuals, no space for teamwork, confidential discussions, employees share desks)	Physical infrastructure can be made to serve organization's mission; organization's most important and immediate needs, a number of improvements could greatly increase organization's effectiveness and efficiency (e.g., no good office space for individual work, possibility for confidential discussions, employees share desks)	Fully adequate physical infrastructure; organization's physical infrastructure does not impede effectiveness and efficiency (e.g., favorable locations for office space, possibility for confidential discussions, and team office space, possibility for confidential discussions); physical space encourages teamwork, layout increases critical interactions among staff

Organizational Capacity Assessment Grid (OCAG)			
Technological infrastructure – Web site	Organization has no individual Web site	Basic Web site containing general information, but lacks information on current developments; site maintenance is a burden and performed only occasionally	Sophisticated, comprehensive and interactive Web site; regularly updated and kept up to date on latest news and organization's mission; designed for its user-friendliness and depth of information; includes links to other sites; provides useful resources on topic addressed by organization
Technological infrastructure databases and management reporting systems	No systems for tracking clients, personnel, programs, outcomes and financial information	Electronic databases are present; reporting systems exist only in few areas; systems perform only basic functions, are awkward to use and are used only occasionally by staff	Integrated, comprehensive electronic database system; a wide range of tools for tracking clients, staff, volunteers, programs, outcomes and financial information widely used and essential in increasing information sharing and efficiency
Board governance	Board does not evaluate budgets or audits, does not set performance standards, hold CEO/ED accountable or does not operate according to formal procedures for transparency, and board functions unclear	Role of legal board, advisory board and management are clear and function well; according to by-laws, review budgets, according to state laws; little fiduciary duties; occasionally sets organizational direction; review CEOED to hire or fire CEO	Legal board, advisory board and managers work well together from clear roles; clearly defined board boundaries; size of board set for maximum effectiveness with rigorous nomination process; board actively defines performance standards and holds CEO/ED accountable; board empowered and prepared to hire and fire CEO

Organizational Capacity Assessment Grid (OCAG)			
Individual job design	Lack of positions created to address a number of key roles (e.g. CFO, HR, learning and development, finance, etc.) and responsibilities with many overlaps; job descriptions do not exist	Positions exist for most key roles, with a few still missing; most key positions are well-defined and have job descriptions, which are clearly defined and specific in roles and responsibilities; job descriptions tend to be static	All key roles have associated positions, all individuals have well-defined roles with clear activities and reporting lines; roles are clearly defined and specific in roles and responsibilities; job descriptions are continuously being refined to reflect changes in organization's development and individuals' growth within their jobs
Shared references and practices	No major common set of practices and references exist within the organization (such as traditions, rituals, stories, heroes or role models, symbols, language, dress)	Common set of references and practices exists in some groups within the organization, but are not shared broadly; references and practices serve organizational purpose or only rarely harnessed to produce impact	Common set of references and practices exist within the organization; references and practices serve organizational purpose and are widely adopted and adopted by all members of the organization; actively designed and used to clearly support overall outcomes of the organization and enhance performance

You are the heroes!

