Capacity Benchmarking Tool
For Faith- and Community-Based Organizations

How to Use the Tool

Step 1: Determine who will complete this tool. It is a good idea to have several people participate. In addition to the executive director, choose a board member, staff member or volunteer. Each person needs a copy.

Step 2: Determine whether participants will complete the entire tool or focus on only one area of capacity. The tool is divided into eight capacity areas.

Step 3: Participants complete the tool on their own. Each participant sets aside approximately 1 - 2 hours to complete the entire tool or about 15-30 minutes per capacity area. Read each benchmark and indicate the extent to which it needs attention. Set a date by which everyone will have completed the tool.

Step 4: All participants meet and discuss results. (If useful, one person could prepare an analysis of the responses ahead of time.) During the discussion:

- Review findings for each capacity area.
- Discuss perspectives that led to differences in responses.

Step 5: Use your responses to determine the highest priority benchmarks needing attention. Some ways to prioritize the capacity areas and benchmarks are to:

- Identify any benchmarks that should be addressed immediately. Are there benchmarks that need to be addressed in the next six months to ensure the organization's survival? Are there critical opportunities that will be missed if the organization does not address some benchmarks right away?

- Ask yourselves where the organization should be in two years. Identify the benchmarks that you believe will be the most critical for achieving these goals.

Step 6: Discuss potential strategies or actions to address each priority benchmark.

- Identify what needs to be done, by when, and who will be accountable or lead the effort.

- Decide whether the potential actions would benefit from review by others. If so, identify who will review and how final decisions about next steps will be made.

Step 7: The executive director, or coordinator, prepares an action plan that (1) describes the steps for improving the organization's capacity, (2) identifies the person(s) responsible for implementing the strategies, and (3) outlines a timeline.

Before you begin...please be aware that:

- This is not a test. There are no right or wrong answers.
- If a section does not apply to your organization, feel free to skip it (e.g., if you do not yet have a board of directors, skip those benchmarks if they have no relevance).

Example of how one (fictional) organization used this tool

The ABC Youth Services Organization had experienced modest growth in recent years. This

year, however, one funder decided not to renew a grant and an intensively planned fundraising dinner did not meet its goals. The founder-executive director had been working full-time for ABC and was beginning to wonder whether her efforts were worthwhile. ABC used this tool to assess its capacity, develop plans to improve its financial situation, and address other areas needing attention.

The executive director, the board chair, and a volunteer tutor independently completed the tool. Although the volunteer could not assess some of the benchmarks, such as those related to the board of directors and finance, he completed significant portions of the tool. The three met and spent two hours just reviewing and explaining their responses. They identified areas in which the organization was on the right track. For example, the executive director was a great networker, the organization was well regarded in the community, and it had recently hired staff to help support its new partnerships.

In many cases, their views were similar. In others, they were surprised to learn they had quite different perspectives. Two areas stood out. First, while the executive director thought the organizational mission was fine, the volunteer admitted he was not clear about the mission, and the board chair observed that the mission statement mentioned "children's health," yet none of the current services addressed children's health. The second notable capacity area was the board of directors. Although the board members were all committed to the organization, the executive director and board chair realized that some board improvements could go a long way to increase the organization's effectiveness. They recognized that the board could take on much more meaningful and satisfying roles in fundraising.

The three agreed to meet again to prioritize needs and develop capacity building strategies. At first it seemed overwhelming because they had rated many benchmarks as "Needs a lot of work" or "Needs some work." To make it manageable, they decided initially to tackle only three of the highest priority areas. Based on their previous discussion, they identified board membership and individual donors as two of the top areas to address. They picked technology as the third, knowing that future enhancements in financial management and fundraising would require new computers and software.

Within board membership, they focused on the specific benchmark related to diversity in skills and professional experience. It made sense to expand the board to include someone with fundraising experience and someone knowledgeable about financial planning. They decided to propose several strategies to the board. One was to create a board-staff-volunteer committee devoted to board recruitment. They even discussed which board members would be particularly strong leaders for this committee. They also developed strategy proposals for the other two high priority areas, gaining new donors and enhancing technology.

After the meeting, the executive director prepared the following action plan, which she presented to the board. It was mostly well received. A few board members were not sure about the implied greater board involvement, but were willing to give it a try. The board agreed to regularly review action plan progress by putting it on its meeting agenda every other month.

Sample Action Plan:

Task	Responsible People	Completion Date
Board Membership		
1. Create board recruitment committee	Board chair & Executive Dir.	September 10
2. Get recommendations for new board members	Committee Chair	October 1

3. Call possible new members	Committee Chair assigns appropriate staff and board for each contact	November 5
4. Report back to committee	Staff and board members assigned for contacts	November 25
5. Report to board with nomination suggestions	Committee Chair	December 10
Individual Donors		
1. Create new brochure	Staff assistant with a board member	Draft to board by January 30
2. Each board member suggests new potential donors	Executive Director	October 1
3. Contact information collected	Executive Director (or development staff)	October 25
4. Contact strategy developed	Executive Director (or development staff)	November 10
5. Report back to full board	Executive Director	December 10
Technology		
1. Research potential in-kind donations of complete computer systems	Board member	October 20
2. Contact current funders to explore a technology grant	Executive Director (or development staff)	November 1
3. Report back to board	Executive Director	December 10