tcc group

The David and Lucile Packard Foundation

OE Goldmine Research Project
Final Report

October 2011

Contents

I. Introduction

Since 1997, the David and Lucile Packard Foundation has awarded 1,391 Organizational Effectiveness (OE) grants to over 900 organizations.[1] The OE Program is designed to enable current grantees of the Foundation to undertake projects that transform their organizations in sustained and meaningful ways. OE grants support a variety of capacity-building efforts for grantee organizations and networks. Some examples include strategic planning, financial and executive coaching, organization or network assessment, board development and governance, etc.[2] While the OE Program has a relatively robust data collection and learning process, results have not been evaluated and shared in many years.

In response to growing demand for learning information from the nonprofit capacity-building field, the Packard Foundation launched the OE Goldmine Research Project to collect, organize, and analyze data from its OE Program in April 2010. Initial work on the project was conducted by the Data Center, who administered a survey to former OE grantees and organized the vast amounts of data related to the program. The Foundation subsequently engaged TCC Group, a national consulting firm that provides evaluation and planning services to nonprofits and foundations, as partners in the research and learning process.

The main purpose of this research is to (1) enable the Foundation and the field to better evaluate organizational effectiveness grants, and (2) disseminate lessons learned for the field. In addition, the research findings will be used to inform Packard's 2012 OE Program Strategy Review. A unique aspect of the project lies in its effort to engage different types of stakeholders (including nonprofit organizations, capacity-building consultants, nonprofit academics, and grantmakers) in the research process using different types of engagement channels (e.g., social media, a wiki, in-person meetings, webinars).

Between March and July 2011, TCC consultants worked with the Goldmine research team to conduct analysis of existing data from its OE Program, including data from the OE Post-grant Survey and grantee final reports, to answer five key research questions:

1. What is the sustained impact of OE grants, if any?
2. How and to what extent can impact on the organization, impact on staff/leaders/board, and impact on program outputs/outcomes be determined?
3. In what ways do OE grants build one-time transactional capacity vs. ongoing transformational capacity?
4. What contributed to the consultant relationship working or not working?
5. What are the factors that contribute to a successful OE project? When and under what circumstances do OE projects succeed or fail?

Using a "learning in public" approach, TCC used the already established Packard wiki site (http://packard-foundation-oe.wikispaces.com) to share preliminary findings along the way and worked with the Goldmine research team to engage a variety of stakeholders in the data analysis process through in-person discussion groups, social media, and webinar.

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[1] OE Goldmine Research Project RFP.

[2] http://www.packard.org/what-we-fund/organizational-effectiveness-and-philanthropy/organizational-effectiveness/.

This report presents the culmination of research findings and learning in public activities. The report is organized as follows:

II. Research Methodology

Goldmine Data

The Oakland-based Data Center surveyed 274 Packard Foundation OE grantees that had finished OE projects between 2007 and 2009.[3] These grants were selected for their relevancy, accessibility, and scope. The OE post-grant survey included both multiple choice questions and open-ended questions that asked grantees to assess the new/lasting results and impact of their OE grant on their organization, their relationships with the consultant(s) hired for the project, the successes and challenges they encountered after the project, the type and level of capacity that was built, and factors that contributed to the success of their capacity building. Overall, 169 out of the 274 grantees responded to the survey for a 62 percent response rate.

According to the Data Center's report, the survey sample represents all OE grants by project focus, project size, organizational size, and program.[4] They made the following observations:

- There are slightly fewer Children, Families, and Communities (CFC) grants, which is expected due to a greater use of OE for exit strategies (non-current grantees);
- There are more Local Grantmaking grants partially due to the recoding of some Children, Families, and Communities and Conservation and Science grants; and
- Planning and Fund Development grants are over-represented, which is reflective of more recent grantmaking trends.

In addition to survey data for the 169 respondents, the Data Center also pulled existing data from grantee reports for all OE grants, which were organized and coded in an Excel document, entitled "Data Analysis Tool." This document includes 15 fields of existing data for 1391 grants, 21 additional fields of new and existing data for the surveyed sample of 274 grants, and 64 additional fields of new data for the 169 survey respondents.

Characteristics of the 169 OE Grants

The 169 grants in the OE post-grant survey data set represent all program areas, with 31% in Conservation and Science category (Table 1). Most of the OE grants were for hiring a consultant for one year. Ninety percent of the grants ranged between $20K and $60K, with an average of $38,989 (Table 2). Sixty percent of the grantees had an annual operating budget under $5 Million, while 18% of the grantees were in the $10 Million or more category (Table 3).

About three quarters of the grants (77%) were awarded to organizations in the US. A quarter of the grantees described themselves as a network; close to half of the grantees described their organization as highly networked, though they did not fit into the network category. (Figure 1)

Packard had assigned its grants a primary and secondary project focus area, which included 14 categories such as board development, fund development, organizational assessment and operational assessment, and communications. TCC's examination of the coding for project focus revealed significant variability in the coding, including grants that TCC perceived to cover more than two focus areas. As a result, using the grant description, TCC did a recoding based on the described grant objectives using a comprehensive capacity framework and testing for inter-rater reliability (see analysis process in the next

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[3] There were 1391 OE grants finished between 1997 and 2009.
[4] Organizational Effectiveness (OE) Goldmine Research Project: OE Post-grant survey summary.

section). TCC's new coding shows that strategic planning, organizational learning and organizational resource sustainability (fundraising and development activities) were the top three focus areas. Many grants touched on multiple capacity areas, ranging from 1 to 6, with an average of 2.7 focus areas. The top capacity-building areas were (see sidebar for TCC's definitions):

- Strategic planning (n=58; 34%)
- Organizational learning (n=57; 34 %)
- Organizational resources sustainability (n=56; 33%)
- Fundraising skills (n=42; 25%)
- Internal leadership (n=21; 12%)
- Board leadership (n=21; 12%)
- Marketing and Communications skills[5] (n=21; 12 %)
- Programmatic learning (n=13; 8 %)
- Leadership sustainability (n=11; 7%)

Table 1 Program area

Program area	Number	%
Children, Families, Communities	25	14.8
Conservation and Science	53	31.4
Population	27	16.0
Local Grantmaking	43	25.4
Other	21	12.4

Table 2 OE grant amount

Award amount	Number	%
< 20K	16	9.5
20K-39K	86	50.9
40K-59K	49	29.0
60K+	18	10.7
Range of award amount: $7,000 to $160,000		
Average award amount: $38,989		

Table 3 **Organizational size**

Annual operating budget	Number	%
50K- <500K	11	6.5
500K - <1M	22	13.0
1M - <2.5M	32	18.9
2.5M - < 5M	37	21.9
5M - < 10M	33	19.5
10M +	30	17.8
N/A	4	2.4

[5] For analysis purposes, we grouped both marketing and communications into a marketing category.

Figure 1: Network[6]

a) Our organization is actually a network.	25%
b) We are not a network, but we are a highly networked organization.	48%
c) We are not a network, but we are a moderately networked organization.	21%
d) We are not a network, and haven't identified opportunities to be a networked organization.	1%
e) Our organization is a network, but not as you define it.*	5%
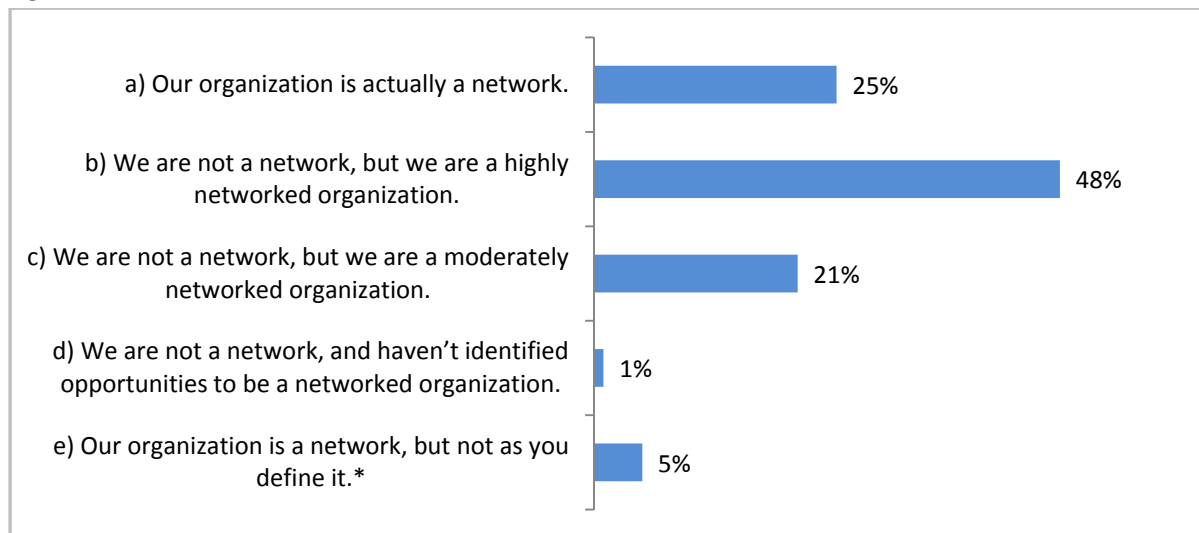
* Service provider to a network (n=3); Collaboration with other organizations (n=2); Belong to multiple networks (n=1); Funder serving as a liaison for nonprofits (n=1); Membership organization (n=1)

Analysis Process

TCC's analysis process began with identifying which data fields in the Data Analysis Tool could answer each of the five research questions and mapping the questions against the OE Program's logic model. Table 4 shows the results of this activity, which served as a blueprint to guide the analysis process.

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[6] Packard defines "network" as a collection of people and/or organizations connected to each other through purposeful relationships. The term 'network' encompasses many different types of organizing including, but not limited to: coalitions, movements, associations, geographic and non-geographic communities, social groups, and peer-to-peer groups

Logic Model for the Packard Foundation's Organizational Effectiveness (OE) Responsive Grantmaking
Version of 9/29/10

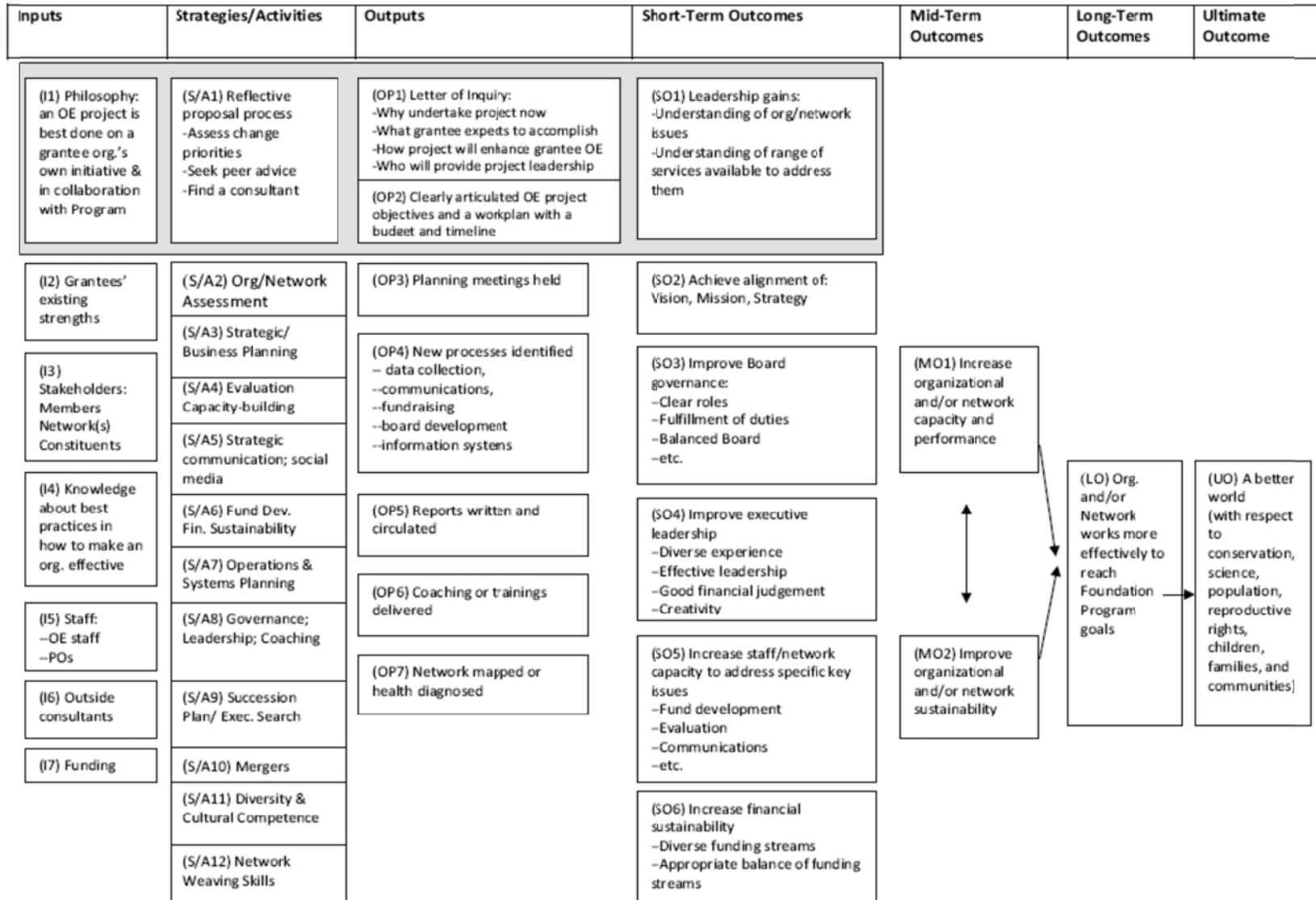| Inputs	Strategies/Activities	Outputs	Short-Term Outcomes	Mid-Term Outcomes	Long-Term Outcomes	Ultimate Outcome
(I1) Philosophy: an OE project is best done on a grantee org.'s own initiative & in collaboration with Program	(S/A1) Reflective proposal process -Assess change priorities -Seek peer advice -Find a consultant	(OP1) Letter of Inquiry: -Why undertake project now -What grantee expects to accomplish -How project will enhance grantee OE -Who will provide project leadership (OP2) Clearly articulated OE project objectives and a workplan with a budget and timeline	(SO1) Leadership gains: -Understanding of org/network issues -Understanding of range of services available to address them			
(I2) Grantees' existing strengths	(S/A2) Org/Network Assessment	(OP3) Planning meetings held	(SO2) Achieve alignment of: Vision, Mission, Strategy			
	(S/A3) Strategic/ Business Planning	(OP4) New processes identified -- data collection, --communications, --fundraising --board development --information systems	(SO3) Improve Board governance: -Clear roles -Fulfillment of duties -Balanced Board -etc.	(MO1) Increase organizational and/or network capacity and performance	(LO) Org. and/or Network works more effectively to reach Foundation Program goals	(UO) A better world (with respect to conservation, science, population, reproductive rights, children, families, and communities)
(I3) Stakeholders: Members Network(s) Constituents	(S/A4) Evaluation Capacity-building					
	(S/A5) Strategic communication; social media					
(I4) Knowledge about best practices in how to make an org. effective	(S/A6) Fund Dev. Fin. Sustainability	(OP5) Reports written and circulated	(SO4) Improve executive leadership -Diverse experience -Effective leadership -Good financial judgement -Creativity			
	(S/A7) Operations & Systems Planning	(OP6) Coaching or trainings delivered				
(I5) Staff: -OE staff -POs	(S/A8) Governance; Leadership; Coaching		(SO5) Increase staff/network capacity to address specific key issues -Fund development -Evaluation -Communications -etc.	(MO2) Improve organizational and/or network sustainability		
	(S/A9) Succession Plan/ Exec. Search	(OP7) Network mapped or health diagnosed				
(I6) Outside consultants						
(I7) Funding	(S/A10) Mergers					
	(S/A11) Diversity & Cultural Competence		(SO6) Increase financial sustainability -Diverse funding streams -Appropriate balance of funding streams			
	(S/A12) Network Weaving Skills					

Table 4: Cross-walk between the key research questions, OE logic model components, and most relevant data points

OE Research questions	OE Logic model components	Data source: OE Post-grant survey	Data source: Grantee final reports and Packard internal documentation
1. What is the sustained impact of OE grants, if any? *	MO1, MO2, LO	Q#4: Examples of new or long-term results (text) Q#5: Rank sustainability of grant results (scale 1-5) Q#6: Comments on sustainability of grant results (text)	Objective met (yes/no) Project outcome/impact (text)
2. How and to what extent can impact on the organization, impact on staff/leaders/board, and impact on program outputs/outcomes be determined?	SO1-SO6 OP1-OP7	Q#4: Examples of new or long-term results (text) Q#10: Rank impact on program services (scale 1-5) Q#11: Comments on the impact on program services (text) Q#18 Rank organizational sustainability (scale 1-5) Q#19 comments on org sustainability (text)	Project outcome/impact (text)
3. In what ways do OE grants build one-time transactional capacity vs. ongoing transformational capacity?*	(SO1-SO6, MO1, MO2, LO)	Q#7: Capacity built (check all that apply) Q#8: Rank ongoing learning (scale 1-5) Q#9: Comments on continuous learning (text)	
4. What contributed to the consultant relationship working or not working?	S/A1, I2, I6	Q#12: Consultant competencies (check all that apply) Q#13: Rank satisfaction with consultant (scale 1-5) Q#14: Comments on successful consulting relationship (text) Q#15: Comments on challenges or limitations with consultant (text)	
5. What are the factors that contribute to a successful OE project? When and under what circumstances do OE projects succeed or fail?	Relationship between (I1-I7) and (SO1-SO6, MO1, MO2, LO); Relationship between (S/A1-S/A12) and (SO1-SO6, MO1, MO2, LO)	Independent variables: Q#16: factors contributed to successful capacity building projects (select up to 5) Q#17: Network Organization Dependent variables Q#5: Rank sustainability of grant results (scale 1-5) Q#8: Rank ongoing learning (scale 1-5) Q#10: Rank impact on program services (scale 1-5) Q#18 Rank organizational sustainability (scale 1-5)	Independent variables: Program Area Award Date Award Amount Project Focus (Primary) Grant Objectives Intermediary Grant Challenges Lessons Learned Project outcome/impact (text)

*For research questions 1-4, TCC conducted analyses on all independent variable for all outcomes to see if there were any differences.

The Goldmine data include a large amount of qualitative data based on grantees' responses to the open-ended questions to the Post OE-grant Survey as well as in actual grant documents such as the final report and Packard's own documentation. To make content analysis manageable while providing a holistic picture of grantees' OE experiences, TCC applied the Four Core Capacity model as an analytical framework to organize the qualitative information. The "Four Core Capacity" model is a framework of organizational effectiveness developed by TCC Group that posits that, to be effective in achieving their missions, organizations must be strong in four core areas: leadership, adaptive, management, and technical. The model is additionally comprised of 32 sub-capacities within the four core areas. In addition to the four core capacities, the model also assumes that an effective organization has a strong, healthy organizational culture that consistently validates the work of staff and engenders a positive shared identity among stakeholders (Figure 2).

Figure 2: TCC's Organizational Effectiveness Model
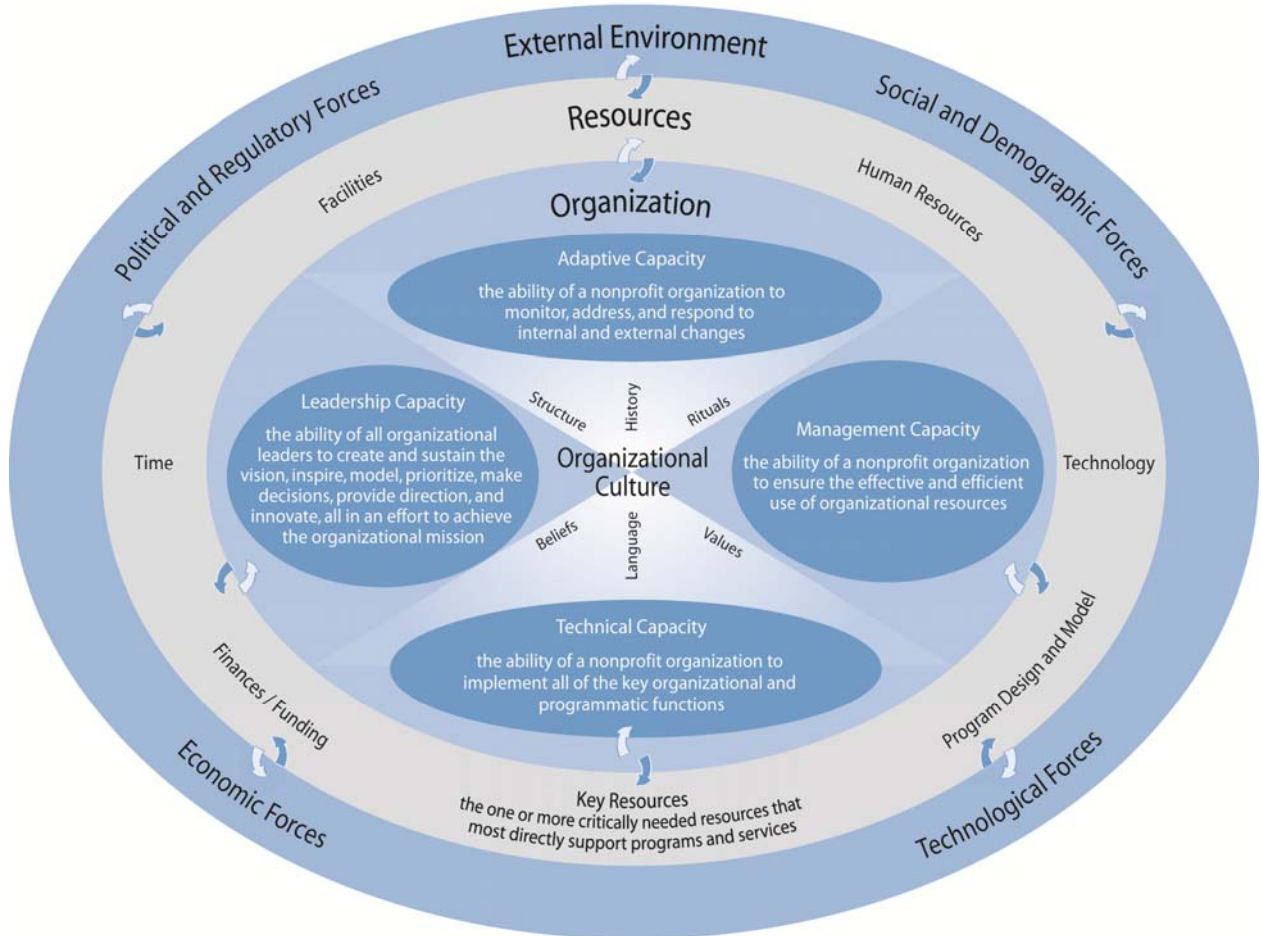
- **Adaptive capacity:** the ability of a nonprofit organization to monitor, assess and respond to and create internal and external changes.
- **Leadership capacity:** the ability of all organizational leaders to create and sustain the vision, inspire, model, prioritize, make decisions, provide direction and innovate, all in an effort to achieve the organizational mission.
- **Management capacity:** the ability of a nonprofit organization to ensure the effective and efficient use of organizational resources.

- **Technical capacity:** the ability of a nonprofit organization to implement all of the key organizational and programmatic functions.
- **Organizational culture:** the unique history, language, organizational structure, and set of values and beliefs of a nonprofit organization, which foster staff unity and provide opportunities to re-energize staff.

Each core capacity contains multiple sub-capacities. TCC used the sub-capacities to code the qualitative data, breaking it down to smaller and relevant information units that can be further analyzed. Using TCC's existing conceptual categories to code OE Goldmine data has a number of advantages, including (1) the Core Capacity model is a comprehensive framework to understand and measure organizational effectiveness; (2) it has been field-tested; and (3) it ensures high inter-rater reliability because TCC consultants have extensive experience applying the Core Capacity model as an analytical tool to analyze qualitative data.[7] It has the additional advantage of allowing cross-referencing of findings against TCC's own extensive database of organizational effectiveness characteristics, gathered through the administration of a comprehensive organizational assessment tool called the Core Capacity Assessment Tool (CCAT). TCC has data on over 1,500 nonprofits in the CCAT database and has mined that data for trends and nuances associated with nonprofit organizational capacity.[8] [9]

Once the qualitative data were coded, TCC's analysis followed these key steps:

- transformed qualitative codes into numeric variables;
- conducted descriptive analysis of all variables (e.g., frequencies, range, means);
- examined the relationships between variables;
- created new variables by combining variables that are conceptually related; and
- conducted comparison analyses to examine differences in the outcomes between groups.

The "Learning In Public" Approach

The Goldmine research team and TCC jointly implemented two key strategies as part of the "learning in public" approach. The first was to share preliminary findings on the OE Goldmine research project wiki along the way and use different communication channels to invite people to participate in the wiki (e.g., emails, personal communication, TCC's e-Newsletter, blog posts, tweets, etc.). The second strategy was to engage audience groups in interacting with the researchers around the preliminary findings in real-time, through in-person and virtual meetings. We define engagement with the data or analysis as comments, questions, or recommendations that validate or challenge the findings, add additional insights, enhance or provide alternative interpretations, and/or request additional analyses.

While there are many potential stakeholders for the Goldmine research findings, the project specifically targeted four key groups for outreach and to track engagement:

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[7] We also recognize the limitations of using this approach. Since Goldmine data collection was not based on TCC's model, a small amount of data cannot be properly captured by TCC's conceptual categories. To address this issue, TCC created new categories as needed. For example, we created several categories related to programmatic capacities because they are not included in TCC's conceptual model.

[8] See www.tccccat.com for additional information on the CCAT.

[9] For instance, TCC conducted a statistical analysis of the factors that correlate to organizational sustainability for approximately 700 nonprofit organizations that used the CCAT and indentified three main factors that determine a nonprofit's sustainability: leadership, adaptability, and program capacity. http://www.tccgrp.com/pdfs/SustainabilityFormula.pdf

1. Capacity building consultants,
2. Grantees that provided data for analysis,
3. Packard Foundation Program Staff, and
4. Original project stakeholders that provided input in project design (consultants, grantees, foundations).

Table 5, derived from conversations and record keeping on the wiki site, provides an overview or the engagement activities, target stakeholders, and engagement results.

Table 5

Engagement activity	Target number	Timeline	Target stakeholder	Engagement results	Comments
Posting of results/analysis to Goldmine on the wiki (based on the number of questions in the post-grant survey)	17	April to July 2011	no targets	0 grantees 3 Packard 5 consultants 20 stakeholders 5 other	As new data and analysis was posted by TCC, Goldmine team and wiki members referenced the data via links in Tweets, Face book, ARNOVA list-serve, GEO list-serve, Packard Yammer and follow-up communications with those who participated in engagement activities. See WIKI posting.
CEP Conference roundtable discussion	1	5/11/11	10 funders	15 funders	See brief report from the CEP Conference
GEO Learning Conference	1	6/7/11	no data	no data	Original stakeholder (consultant) Eugene Kim told over 100 funders in his opening comments to look at the wiki and wound up using the wiki to post notes at the conference! See Eugene Kim's presentation
Grantmakers Without Borders Conference: roundtable discussion	1	6/14/11	10 funders	7 funders 3 consultants 2 nonprofit leaders	See report about the roundtable session
Goldmine PO Meeting	1	7/13/11	10 Packard	14 Packard 1 consultant	Packard POs and other program staff convened with the Program Evaluation Support Team members to review and discuss findings. See notes from the Goldmine PO Meeting.
Bay Area Consultants Group	1	7/14/11	20 consultants	40 consultants	About 35 consultants participated in reviewing early findings, asking clarifying questions and breaking up in to smaller groups to discuss findings and provide input. See notes from Bay Area Consultants Group meeting.
Stakeholder and Grantee Webinar	1	7/29/11	15 Stakeholders; 85 grantees	37 Stakeholders/grantees	TCC facilitated an interactive webinar for the 169 grantees who completed the OE Post-Grant survey and 20 stakeholders who provided initial input on research purpose/design. Access webinar recording.
Blog posts by TCC or other stakeholders re key findings, learning, wiki	6	April – July 2011	10 funders 10 consultants		http://eekim.com/blog/2011/05/why-i-love-working-openly/ http://www.bethkanter.org/bloom-public-learnin/ http://blog.glasspockets.org/2011/06/connolly_20110628.html http://www.ssireview.org/opinion/entry/the_limited_returns_on_fundraising_support_for_nonprofits
Tweets (by OE/TCC)	17	April – July 2011	no data		Goldmine team posted findings 20 times to ODN#, Executives#, Leaders#
Targeted emails	3	April – July	no data		Goldmine team posted findings and reposted blog links to ARNOVA

Engagement activity	Target number	Timeline	Target stakeholder	Engagement results	Comments
		2011			3 times and to consultants and wiki members
Final Report- TCC will produce a final report of findings and post on WIKI	1	August-September 2011		TBD	
American Evaluation Association 2011 Annual Meeting		November 2-5, 2011		TBD	See AEA conference session

III. Reflections on the Goldmine Data

The Packard data has been referred to as a "goldmine" of untapped potential. Indeed, the scope and longevity of grantmaking in this area includes really rich data and the survey provided some great questions to get grantees to reflect on their experience and new/lasting results now removed from the grant period. Both Packard Foundation and TCC recognized early on that there was a lot of data to look through and some rich findings that could be derived from the data, yet, at the same time, acknowledged that some analysis might be limited by the type and quality of data collected.

TCC's assessment of the methodology and data quality highlights a number of strengths of the Goldmine data. They include:

1. The development of the OE post-grant survey incorporated input from multiple stakeholders, including Packard Foundation's director of evaluation, to ensure that the tool was appropriate and met Packard's information needs.
2. There was a clear set of criteria to select survey participants, including most recent grantees, and grants that involved hiring of a consultant.
3. Survey response rate was high (62%) and the survey sample was representative of all OE grants.
4. The survey team worked to increase the accuracy of survey responses by ensuring that knowledgeable people responded to the survey, recognizing that turnover is a challenge of sustained OE effectiveness. Validation of survey responses suggested high awareness of survey respondents of their OE grants.

As researchers, however, we are compelled to report challenges and potential limitations of analyzing the Goldmine data to answer the five research questions. While TCC has been very thorough in its analysis process and believes that the data has generated useful analysis and findings on the questions under consideration, it is important to lay out the challenges and limitations of analyzing the Goldmine data to help readers of this report contextualize the findings.[10]

1. The Packard approach to OE grants is to be responsive to grantees' needs and to fit this within a broader system of program support to the organizations. Feedback from grantees during the learning in public (LIP) phase indicated this to be a positive framework from their perspective. The limitation with regard to this analysis was that the grantees may have received multiple grants with capacity-building potential in the relevant time period and some even received multiple OE grants. Again, the survey team tried to mitigate challenges of grantee attribution by indicating at the beginning of the survey what grant they were being surveyed about and providing all the data that they had previously provided on the grant. However, assuming the grantees could isolate that individual grant experience, even then it is problematic since many of the OE grants contained multiple distinct objectives within the same grant.
2. The survey used several open-ended questions to capture grantee's experience of the OE grants. These open-ended questions were linked to closed-ended questions and thus provided some rich stories to draw from, which helped give life to some of the closed-ended data. However, while the majority of the grantees provided responses to these questions, their responses reflect what they thought was important to share and therefore may not reflect the full picture.

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[10] In Section VI TCC also provides recommendations for future data gathering that might assist Packard in further answering some of the questions.

3. Scales to some questions are sometimes more categorical than ordinal or continuous. While TCC took some liberties in exploring the data, the analysis was constrained by the nature of scales and the distribution within those scales.[11,12]

4. Some of the survey questions are about general organizational capacity (as opposed to discrete capacity elements), leaving too much room for interpretation. While some of these questions were intended to be a general organizational update, in order for the data to have meaning in the context of an OE impact assessment we must assume some relational element between these general updates and the OE specific findings. If we assume that these more generalized assessments of organizational capacity are influenced by too many externalities (which may be true), then the data is not useful. Since the questions exist within the context of a survey about specific OE objectives, TCC opted to give the data the benefit of the doubt in relation, but raises this caveat in the spirit of transparency. In addition, from TCC's experience, people tend to give higher ratings to general statements than statements focused on specific behaviors or practices. This is likely at least one reason why data showed positive skewing in several questions.

5. A key goal of the research project is to identify which factors made OE grants successful. In the survey, grantees were asked to identify key factors that contributed to the success of their OE project. While these results provided grantee's perspectives on what worked and what did not, from a methodological standpoint, individuals' ability to draw cause-and-effect conclusions may be influenced by their preconceived assumptions or beliefs of what works and what is important.

   Based on the data that are available, we used "factors contributing to project success" and "project challenges" as proxy measurements for implementation qualities. It is important to note that the data provide only partial information regarding implementation qualities because of the way the questions were framed. For instance, for those who did not select "resources to implement the project," there are different ways to interpret the data. For instance, it is possible that they (1) did not have enough resources to implement the project, or (2) they had the resources to implement the project but did not see such resources as a critical factor to project success. Data on project challenges were based on open-ended question in grantees' final reports. For those who did not report implementation challenges, it is possible that (1) implementation was not a challenge to them or (2) implementation was a challenge but it was not so critical to be included in the final report.

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[11] Take survey question 7 as an example. Respondents were asked to check all answer choices that best describe the nature of the capacity that was built with the OE project. One would assume organizations who reported new capacity at an organizational-wide level (answer choice d) would also report that capacity was built so internal staff can carry out the task the next time is needed (answer choice b). However, that was not the case. While 133 respondents selected d, only 40 respondents selected b. In addition, Among the 29 grantees that reported (a) capacity was built to accomplish a one-time or short-term task, 17 of them also reported (d) capacity was built at an organizational-wide level. TCC tried other ways to recode the responses to tease out how many grants achieved ongoing transformational changes and how many only achieved one-time transactional capacity. See page 25 for more details.

[12] Another example is question 8, which asked respondents to rank ongoing learning after the OE project using the following scale: 1= We've lost ground on the learning from the capacity building project; 2 = I'm not sure if there has been continued learning from the capacity building grant; 3 = Learning was one-time in nature and was not expected to be ongoing or continuous; 4 = Significant learning from the grant continues for those directly involved with the grant; 5 = We can point to multiple examples where post-grant learning continues throughout the organization. While the question indicates a continuous rating scale, the answer categories do not appear to be mutually exclusive.

IV. Findings

This section of the report presents findings organized by the five key research questions. A detailed analysis of each question on the Post OE-grant survey is in Appendix B.

Research question 1: What is the sustained impact of OE grants, if any?

Summary of findings:
- Close to three quarters of the grantees reported new or long-term results related to adaptive capacity; that is, the ability to monitor, assess and respond to and create internal and external changes.
- More than half of the OE grants (53%) reported that new capacity was built and has sustained itself with significant organizational wide impact.
- A more detailed and rigorous framework is necessary to determine with more certainty the scope and duration of impact for various types of capacity-building activities.

Based on grantees' description of new or long-term results of their OE project, most of the long-term gains were in the area of adaptive capacity, with 71% of the grantees reporting at least one type of improvement this area. This was followed by technical capacity (50%) and leadership capacity (41%) (Figure 3). Even though most grantees' main goal may have been focused on one specific area, most grants reported improvement in more than one capacity (the average number of capacity that showed improvement was 2.6). This is likely the result of two factors. First, while the main thrust of the grant may have focused on one capacity area, most grants had objectives that included at least minimal additional focus in other areas. Second, this is an indication of structurally integrated OE outcomes—where one OE outcome area implemented well has positive repercussions in several additional areas. For example, a primary focus on communications might also enhance mission/vision clarity (a prerequisite for doing effective communications), evaluation skills (to be able to have data to tell a compelling story), fundraising (resulting from increased visibility) and decision-making tools (developing a cohesive communications plan that is aligned with strategic plan objectives).
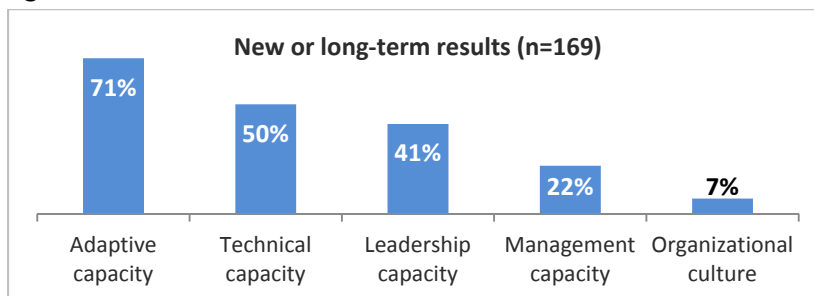
CORE CAPACITIES:
Adaptive Capacity is the organization's ability to: Monitor, assess, respond to, and create internal and external changes.

Leadership Capacity is the ability of all organizational leaders to: Create and sustain the vision; inspire, model, prioritize, make decisions, provide direction and innovate – all in an effort to achieve the organizational mission.

Management Capacity is the organization's ability to: Ensure the effective and efficient use of organizational resources.

Technical Capacity is the organization's ability to: Implement all of the key organizational and programmatic functions.

Organizational Culture is separate from the four core capacities; it is a context in which the core capacities operate. Each organization has a unique history, language, organizational structure, and set of values and beliefs that affect staff unity and engagement.

Also see Appendix A for more detailed description of TCC's Core Capacity Framework

Figure 3

New or long-term results (n=169)

71%	50%	41%	22%	7%
Adaptive capacity	Technical capacity	Leadership capacity	Management capacity	Organizational culture

A closer examination of the data shows that grantees' new or long-term results concentrated on five sub-capacity areas (Figure 4):

- **Decision-making Tools** (Using important tools, resources and inputs to make decisions (i.e., outside technical assistance, in-house data, staff input, client input, a written strategic plan)
Organizational Learning (Self-assessing, using assessment data/findings to conduct strategic planning, and following through on strategic plans)
- **Organizational Resource Sustainability** (Maintaining financial stability in order to adapt to changing environments)
- **Board Leadership**
- **Fundraising Skills** (Ability to develop necessary resources for efficient operations, including management of donor relations)

Examples of new or long-term results related to each sub-capacity are illustrated in Box 1.

Figure 4

New or long-term results by sub-capacity (n=169)

Sub-capacity	Percentage
Adaptive - Decision-Making Tools	42%
Leadership - Board Leadership	27%
Adaptive - Organizational Resource Sustainability	25%
Technical - Fundraising Skill	21%
Adaptive - Organizational Learning	18%
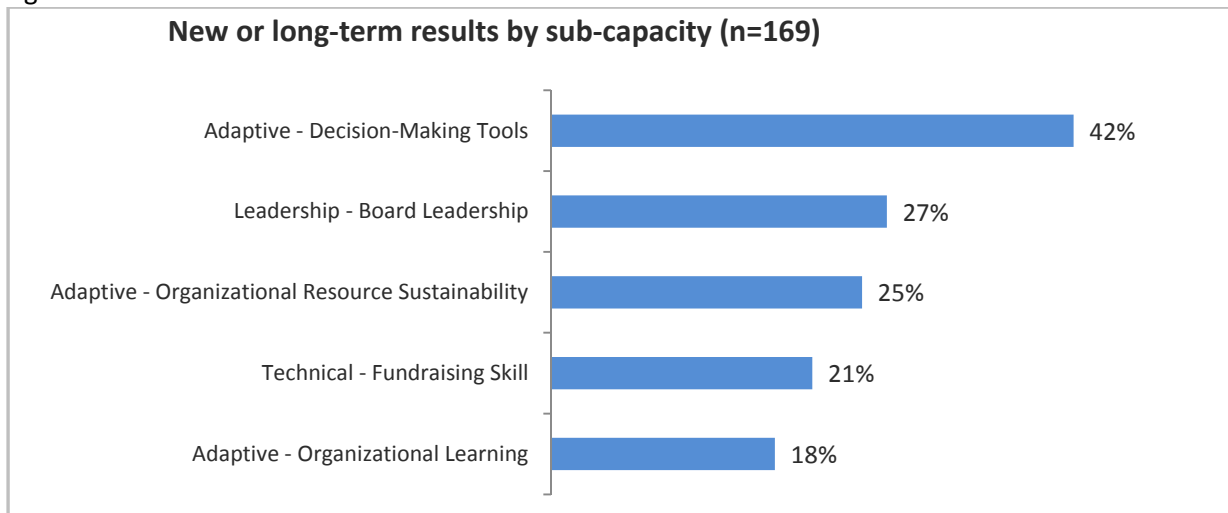
When asked to rate the sustainability of their grant results, more than half of the OE grants (53%) reported that new capacity was built and has sustained itself with significant organizational wide impact, while the another 30% reported new sustained capacity with some organization-wide impact (Figure 5).

Figure 5

Sustainability of grant results (n=169)

Category	Percentage
1 = No new capacity was built.	0.6%
2 = New capacity was built, but grant results have dissipated (perhaps due to turnover or new organizational issues).	5.3%
3 = New capacity was built and has sustained itself at the department or unit level.	10.7%
4 = New capacity was built and has sustained itself with some organization-wide impact.	30.2%
5 = New capacity was built and has had significant organizational wide impact.	53.3%

Results from grantees' qualitative responses (122 out of the 169 grants responded to Q6 of the survey) show highly sustained results in the area of adaptive capacity (Figure 6), with a strong focus on decision-making tools and organizational resources sustainability (Figure 7). Examples of sustained results are illustrated in Box 2.

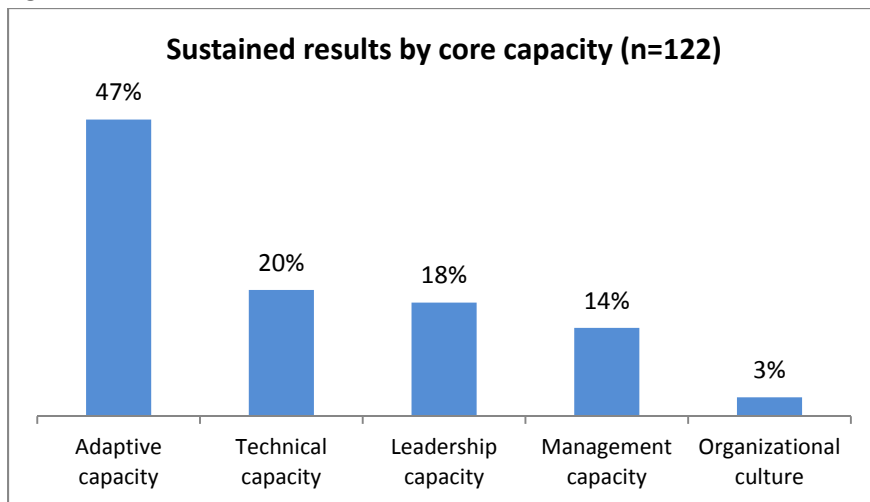Figure 6

Sustained results by core capacity (n=122)

Core capacity	Percentage
Adaptive capacity	47%
Technical capacity	20%
Leadership capacity	18%
Management capacity	14%
Organizational culture	3%

Figure 7

Sustained results by sub-capacity (n=122)

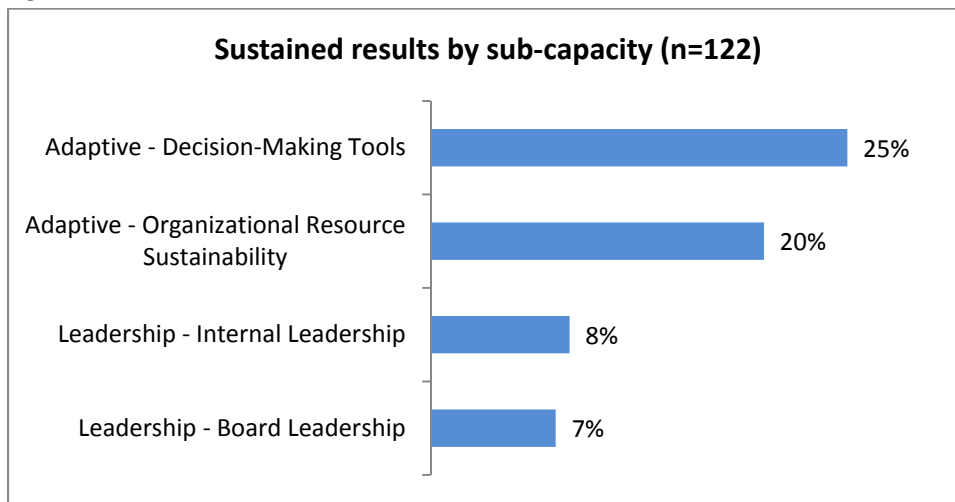|	
Adaptive - Decision-Making Tools	25%
Adaptive - Organizational Resource Sustainability	20%
Leadership - Internal Leadership	8%
Leadership - Board Leadership	7%

Box 1: Examples of new or long-term results

Adaptive - Decision-Making Tools:

"Strategic planning is now part of our organizational culture. We actively used the strategic plan as a guide for our work. The strategic plan helped unify board and staff."

"Programs and staff have been realigned to operationalize the strategic plan; Strategic alignment and flexibility has become a part of the culture; Diversity and inclusiveness has become a major priority in our offerings; Electronic offerings are expanding our reach."

"New 3-year strategic plan, including a Theory of Change, recently developed. The organization's culture is more fully becoming that of a learning org. Budgeted net cash flow for FY11 is better than recent history. Strategic decision making is now part of our organizational culture. Board is engaged in understanding the org and moving it forward."

Leadership - Board Leadership:

"Board self-assessment is now part of our organizational culture. Coaching for the board chair is now regularly offered. Our board has a better understanding of fundraising roles/responsibilities. Our development director understands his role better."

"As a result of this grant the board recognized their role in Fundraising. The board learned how to engage their own contacts. The fundraising committee chair took an active role in strategy development. Board realized that it is not only the staff's responsibility to fund raise."

Adaptive - Organizational Resource Sustainability:

"Stronger system in place for annual appeal for fundraising from members. Better system in place for cultivating high level donors from membership."

"Our revenue diversification has continued. We have continued to expand our pool of major donor prospects. Expanded cultivation with more meetings, calls, and written communications."

Technical - Fundraising Skills:

"Staff's awareness of potential of our donor basis increased. Tools like donor field visits are still in place and work. Value of database is still well recognized within the whole team."

"Because of the results of the OE project we hired a second development staff member which has allowed us to explore new ways to increase our fundraising capacity. Not everything we have tried has been successful but we are making progress. We are also making progress in creating a Board that is more open to fundraising."

Adaptive - Organizational Learning:

"Stakeholders better understand the value of long term planning. Written plan provides ongoing assessment tool for decision making. Stakeholders, board and staff now have more dialogue on planning issues. Planning has assisted fundraising by demonstrating vision & sustainability."

"First integrated strategic plan created for the organization plan has provided over-arching plan of operation across all operations. Logical framework analysis made possible as product of [organization]. Provided valuable lessons for building future plans."

Box 2 Examples of sustained grant results

Adaptive capacity - decision-making tools:
"Survey results provided basis for subsequent capacity building plan and new media plan."
"This process set us on a path of clarifying our purpose and shared goals and vision, and to making this process a continual effort and part of our day-to-day approach. The increased clarity and member commitment has enabled us to grow and diversify while maintaining cohesion and purpose."

Adaptive capacity - organizational resources sustainability:
"Fundraising efforts that emerged from Packard grant project led to the creation of a Campaign with major donations that currently total over $4 million. With one location closing due to the termination of a lease, [the organization] was able to use those dollars to build a new early education campus without debt and without reducing the amount of children served in [our County]. Other dollars raised in the campaign have enhanced operations."
"We have been very pleased with the amount of leverage that we have seen with these grant funds. In all areas of focus we have built upon the results and as our capacity grows we look forward to the next phase of expansion and development of these plans, programs and activities."

Leadership - internal leadership:
"An outcome of this grant was the decision by the Board to hire a new CEO. Since then, all of the above has been achieved. The new funding from Packard, the CEO is now leading the strategic planning process, due for completion this Fall."
"This grant supported an effective and thoughtful process for our search for a new [President]. As a result, the selected new leader holds the qualities needed to bring improved stability to the organization. Our new leader has experience in our work and in the vision of our mission and best practices for implementing positive developments organization-wide."

Leadership - Board Leadership:
"Because of the Feasibility Study Results and the economic downturn we were able to concentrate on building our board infrastructure, fund development plan, impact outcomes and a 5 year strategic operational plan. We are committed to the process and are continuing to deepen our impact."
"It really highlighted the challenge of securing long term sustainability. We moved to try and diversify our funding and have to some extent been successful- we are now doing more project work. This was directly to do with the grant work. Our Board is far better informed on [organization] and the challenge and strengths."

As described above, grantees are self-reporting sustainability of their built capacity. In many instances they describe specific changes that have resulted from the capacity building. These are promising findings for the Packard OE approach. However, there is a level of rigor and depth that would be necessary to answer this question with greater certainty. For example, survey respondents were somewhat primed to describe capacity built within a narrow framework. If the survey had asked about discrete behaviors associated with certain types of capacity, the data would likely show greater variation and reveal insights around "depreciating capacity" (capacity that loses its strength over time like a single

strategic plan that is not actively renewed or technical skills that are lost due to staff attrition) and depth of the capacity that was built.

Another key finding that's worth mentioning is related to grantees' management capacity. Since management was not a focus area for most of the grants, it is not a surprise that only 22% of the grants reported improvement in this area. However, this has important implications with regard to the grantees' ability to sustain the capacity building changes. It is clear that OE grants helped organizations learn and plan more effectively, and develop adaptive strategies to garner more resources. The question is, with increased resources, does an organization have the necessary capacity to manage the resources effectively and efficiently? Here management capacity is not limited to an organization's ability to continue to implement OE projects. It speaks broadly to an organization's ability to manage staff, volunteers, finances, and non-human resources. If management capacity does not keep up with the leadership and adaptive capacity, organizations will not be able to deploy and utilize the resources to implement the capacity building changes. It is possible that OE grantees already had high levels of management capacity, and there was no need for improvement, or that they did develop management capacity but did not have a place or think to report it in their responses to the survey or in their final grant reports. Based on TCC's research and analysis of national data on nonprofit effectiveness, management capacity is not considered as a top priority when it comes to nonprofit capacity building.[13] In fact, TCC's data shows that when organizations' resources (in terms of budget) go up, management capacity tends to go down. Without the ability to manage growing resources, the gains in leadership and adaptive capacity are not likely to be sustained in the long run.

Research question 2: How and to what extent can impact on the organization, impact on staff/leaders/board, and impact on program outputs/outcomes be determined?[14]

> Summary of findings:
> - Grantees reported that they can clearly make the link between capacity building and program service outputs or outcomes in a measurable way. Sixty-six percent of 169 grantees said the OE grant had "significant" or "transformational" and measurable impact on program services. They described programmatic impact examples such as improvements in program quality and reach, more strategic in programming, and more visibility, community support, and program resources.
> - While grantees self-report making the connection, the data are not sufficient to answer this question beyond that reporting.

Impact of OE grants on program services

Grantees reported that they can clearly make the link between organizational capacity building and program service outputs or outcomes in a measurable way. As shown in Figure 8, 66% of 169 grantees said the OE grant had "significant" or "transformational" and measurable impact on program services.

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[13] Data come from TCC's Core Capacity Assessment Tool (CCAT), drawing on a dataset that includes over 1,500 organizations.
[14] This research question was added after the survey was completed. While survey questions provided relevant data, the survey was not specifically designed to address this question.

Figure 8

Impact of OE grant on program services

Rating	Percentage
1 = No impact on program services	3%
2 = Some (but not measurable) impact on program services	8%
3 = Some measurable impact on program services	23%
4 = Significant measurable impact on program services	47%
5 = Transformational and measurable impact on program services	19%
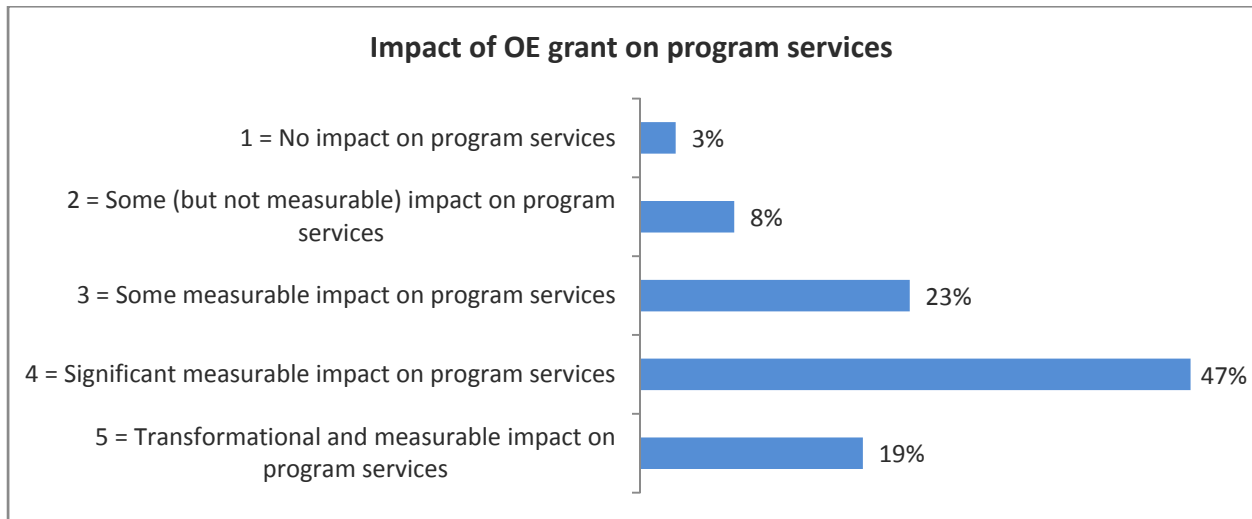
While a more rigorous comparison to actual programmatic outcome data would likely yield a more compelling answer to this question, it is not insignificant for grantees to indicate such high levels of attribution to OE grants on program services. The qualitative responses provide good insight into how grantees made the link between the two in their own minds. According to the 105 grantees that provided examples to illustrate the impact on their program services, the top four types of programmatic improvements were:

- **Improved program quality and reach (the ability to reach/serve more people) (35%).** For instance, one grantee commented:

  "The increase in effectiveness across our program especially in funding has allowed us to provide an exceptionally experiential/field study learning experience not reachable prior to the OE project. Furthermore, we are continuing to expand our programs services both in formal and informal educational settings."

- **Becoming more strategic with programming (23%).** For example, one grantee commented:

  "Successful strategic planning has substantially improved our focus on and efficiency in our advocacy projects. For example, a sharper vision of our unique strategic value and strengths has helped us target our efforts more efficiently, advocate more powerfully, and partner more strategically. Our strategic planning process has increased the clarity of our voice and confidence in asserting our agenda. Also, the coaching has helped us develop, empower and retain outstanding senior staff members."

- **Increased visibility, community support, and leadership role in the community (10%).** An example from one grantee:

  "The selection of [our] new [President] proved a turning point in our organization's history. The selection of an accomplished civil rights leader and former member as our new leader transformed [our organization] into a powerhouse of civil rights expertise. This proved critical for us given the timing of this selection. Within months of our new [President's] appointment, Latino civil rights issues were catapulted to the forefront of the national public policy discourse, in particular Latino immigrant civil rights, which is one of the specializations of our new leader."

- **Increased program resources (10%).** One grantee commented:

  "[Program] was a major undertaking for [our organization] that has had organization-wide impact in terms of staffing, resource allocation, and service provided directly by the program and by other programs."

When polled, the majority of the participants in a Goldmine project webinar for grantees and other interested parties expressed that the results were just as they expected (see Figure 9). One grantee who attended the webinar explained "In our experience, fundraising capacity building has directly benefitted our program services. Through an OE grant, we were able to increase both our program services and donor base geographically. Support from the community that we work in is critical to our ability to carry our program services." Another grantee commented, "If your goal is to increase fundraising capacity to better match a donor's interest and the work you do, how is it possible that increased fundraising does not support program?"

Figure 9: Webinar poll results
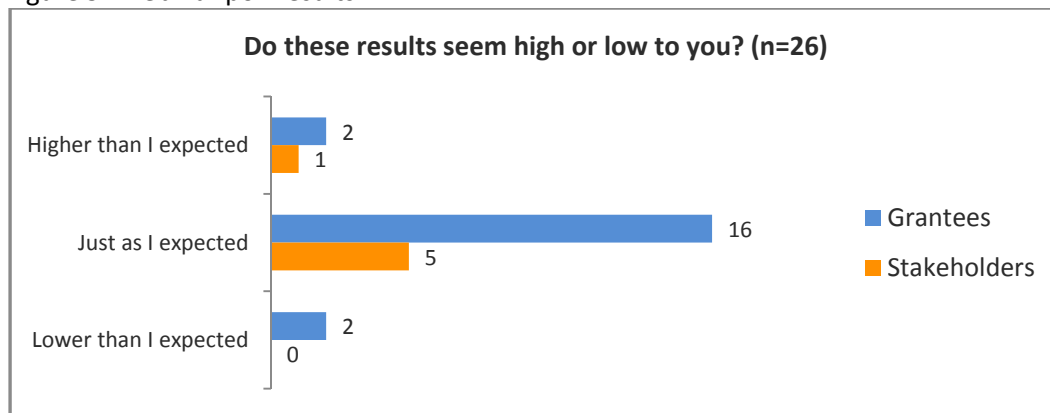
It is clear that the improvement in organizational capacity, in particular adaptive capacity (as reported in Research question 1), has translated to improvement in program resources and outputs (e.g., serving more people). Grantees also became more strategic in their programming. This is a very positive sign because this suggests that organizations' strategic planning were anchored in core program improvement and that organizational leaders were on the same page with regard to where the organization should go programmatically. Based on TCC's analysis of CCAT data, one of the strongest predictors of growth and sustainability is the ability to implement the strategic plan that has a strong programmatic anchor. That is, organizations with higher level of strategic programming capacity are more likely to serve their clients better and more likely to sustain and grow.

Impact of OE grants on organization, staff, leaders, and board
As previously mentioned, this research question was added after the OE Post-grant survey was completed, therefore, the survey did not explicitly ask respondents about the impact of OE grants on their staff, leaders, and board. Without direct measurement, we gleaned information from two data fields to address this part of the research question.

First, based on grantees' qualitative description of long-term results of their OE grants (see Research Question 1), close to three quarters of the grantees reported improvement in their organization's adaptive capacity; that is, the ability to monitor, assess and respond to the environment and create internal and external changes. Specifically, the top three areas related to adaptive capacity that showed

improvement were (1) the ability to use tools and resources to make decisions (decision-making tools), (2) the ability to assess the organization and use assessment data to inform planning (organizational learning), (3) the ability to maintain financial stability, including effective fundraising (organizational resource sustainability and fundraising capacity[15]).

Secondly, in the OE Post-grant survey, grantees were asked to look beyond the capacity-building grant to rank the overall sustainability of the organization. Figure 10 shows that more than half (56%) of the respondents were confident in their organization's capacity to expand their mission. Among the 107 grantees who provided examples to illustrate their organizational sustainability, 17% of them reported improvement in leaders' ability to influence others to take actions and another 17% reported that their organizations have established partnerships with other organizations and are engaged in ongoing networking.

Figure 10

Overall organizational sustainability

Category	Percentage
1 = We lack core human, financial, or community capacities to fulfill our mission over the next year.	2%
2 = We lack at least one core human, financial, or community capacity to fulfill our mission over the coming two years.	12%
3 = We have core human, financial, and community capacities to fulfill our mission for at least two years.	28%
4 = We have core human, financial, and community capacities to expand our mission.	26%
5 = We have core human, financial, and community capacities to not only expand our mission, but also lead our network/field as it evolves.	33%

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[15] The skills are technically a technical capacity, but the outcome of their effective implementation is adaptive.

Research question 3: In what ways do OE grants build one-time transactional capacity vs. ongoing transformational capacity?

Summary of findings:
- TCC does not believe that the Goldmine data are sufficient to answer this research question. One possible data point was a multiple-choice question that asked respondents to describe the nature of the capacity that was built with their OE project. An initial reading of the data suggested that the OE grants seemed largely transformational in nature: close to 80% of the respondents reported that their OE grants have resulted in new capacity at an organizational-wide level. However, further analysis of the data suggests that the conclusion is not clear. Because the survey question asked respondents to check all that apply, TCC recoded the responses to further distinguish grants that built ongoing transformational capacity from grants that built only one-time transactional capacity. The results suggested that only 11% of the grants were transformational.

In the survey, grantees were asked to select statement(s) that best describe the nature of the capacity they built with the OE project. The results showed that 79% of the grants have resulted in increased capacity at an organization-wide level and 22% of the grants had resulted in direct benefit to their network members (see Table 6).

Table 6

Q7. The following best describes the nature of the capacity we built with the project (select all that apply):	Number of grantees	%
a) Capacity was built to accomplish a one-time or short-term task (i.e. capital campaign, personnel manual, website redesign, etc.).	29	17%
b) Capacity was built so internal staff can carry out the task the next time it is needed.	40	24%
c) Capacity was built at a departmental level or project specific level.	54	32%
d) Capacity was built at an organization-wide level.	133	79%
e) Our network members would say that tangible capacity was built for their direct benefit.	38	22%

Because this question allows respondents to check all that apply, grantees that built capacity at an organizational-wide level could also report that they had built capacity to accomplish a one-time or short-term task. In fact, 17 respondents (10%) fell into this category (see table 7).

Table 7

		(d) capacity was built at an organization-wide level	
		No	Yes
(a) capacity was built to accomplish one-time or short-term task	No	24	116
	Yes	12	17

To further distinguish grants that built ongoing transformational capacity from grants that built only one-time transactional capacity, we recoded their responses as follows:

- **One-time transactional capacity** applies to grants that built capacity to accomplish a one-time or short-term task (yes to response a), but failed to build capacity to enable internal staff to carry out the task the next time it is needed (no to response b). Sixteen grants fit in this category (9% of the 169 grants).
- **Ongoing transformational capacity** applies to grants that built capacity to enable internal staff to carry out the task the next time it is needed (yes to response b), and the capacity was built at an organizational-wide level (yes to response d), and capacity was not built to accomplish a one-time or short-term tasks (no to response a). 19 grants fit in this category (11% of the 169 grants).

Figures 11- 14 describe the characteristics of the two groups of grants in terms of program area, network status, annual operating budget size, and geography. Among the 19 OE grants that reported ongoing transformational capacity, 37% were Conservation and Science grantees, 84% were network grantees, 50% had an annual operating budget between one to five million dollars, and 68% were international grantees. Among the 16 OE grants that reported only one-time transactional capacity, 44% were Local Grantmaking grantees, 69% were network grantees, and 94% were based in US.
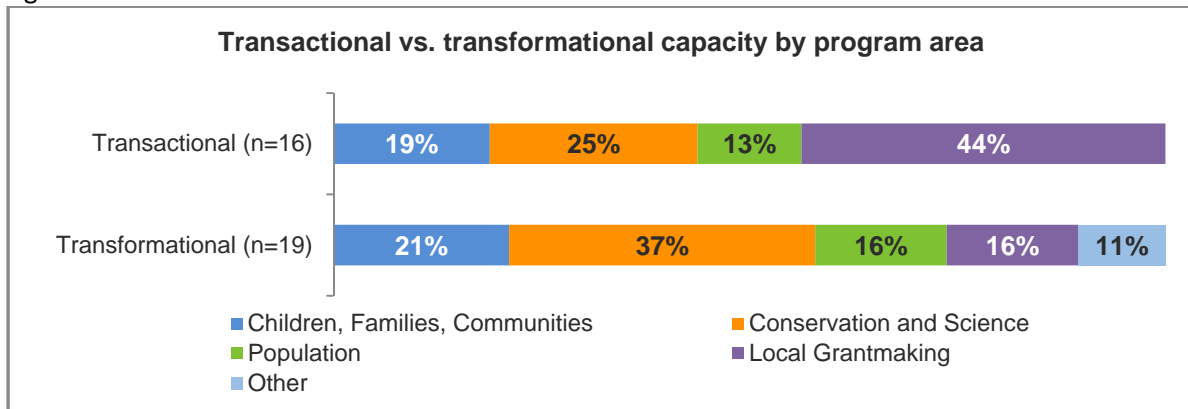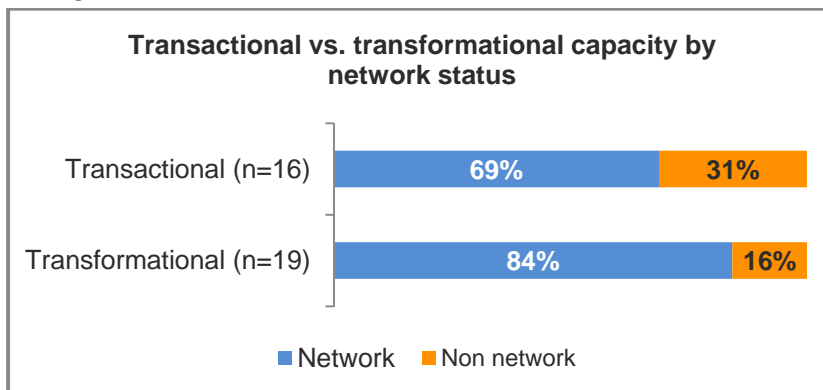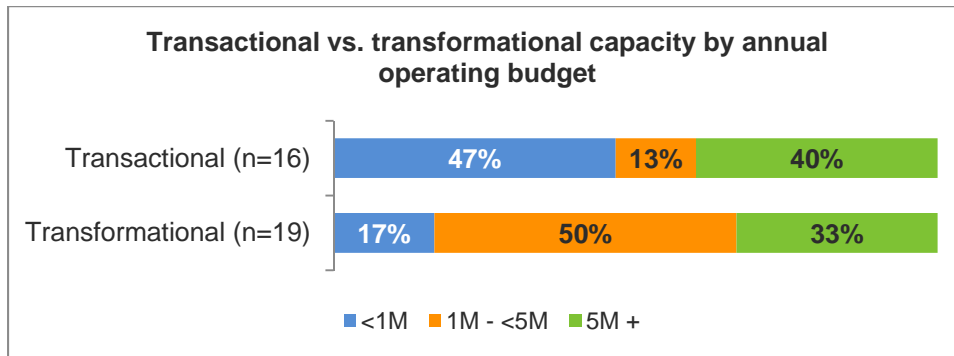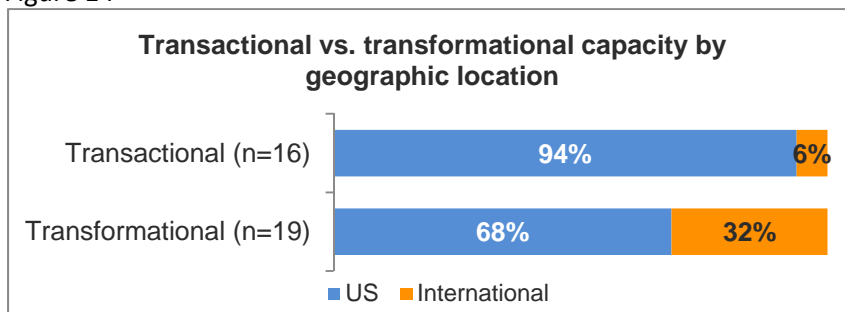
Figure 11

Figure 12

Figure 13

Transactional vs. transformational capacity by annual operating budget

Transactional (n=16)	47%	13%	40%
Transformational (n=19)	17%	50%	33%

■ <1M   ■ 1M - <5M   ■ 5M +

Figure 14

Transactional vs. transformational capacity by geographic location

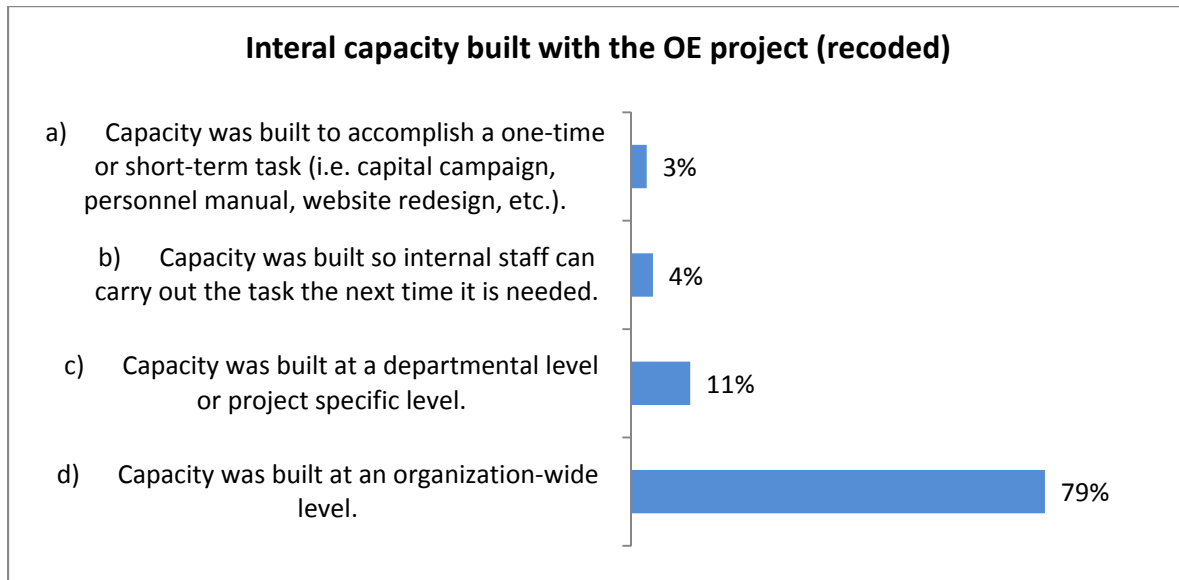|		
Transactional (n=16)	94%	6%
Transformational (n=19)	68%	32%

■ US   ■ International

When we look at reported internal capacity built and focus on responses related to internal self assessment, the data indicates that close to 80% of the OE grants are reported to have resulted in new capacity at an organizational-wide level (see Figure 15). [16], [17] Only a small number of grants (n=5; 3%) reported a one-time, transactional capacity, while 4% of the grants built capacity at individual staff level, and 11% reported new capacity at a department or project-specific level.

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[16] This analysis comes from a recoding of question 7 that assumes that categories (a) to (d) are additive, meaning that capacity built at the organization-wide level would require capacity at a department/project level and to have built internal staff capacity. Assuming respondents perceived an ordering among the answer choices, we reviewed each respondent's selection and recorded the highest level of capacity selected. This new variable becomes a rating scale, measuring grantees' rating of the internal capacity that was built with the OE grants.

[17] This question included the following as a response category: Our network members would say that tangible capacity was built for their direct benefit. Since this is different from the other responses in the section, in that it both asks for an assessment of what an external party thinks and the extent to which that external party feels the capacity built was beneficial to themselves, we did not include that response category in this particular analysis.
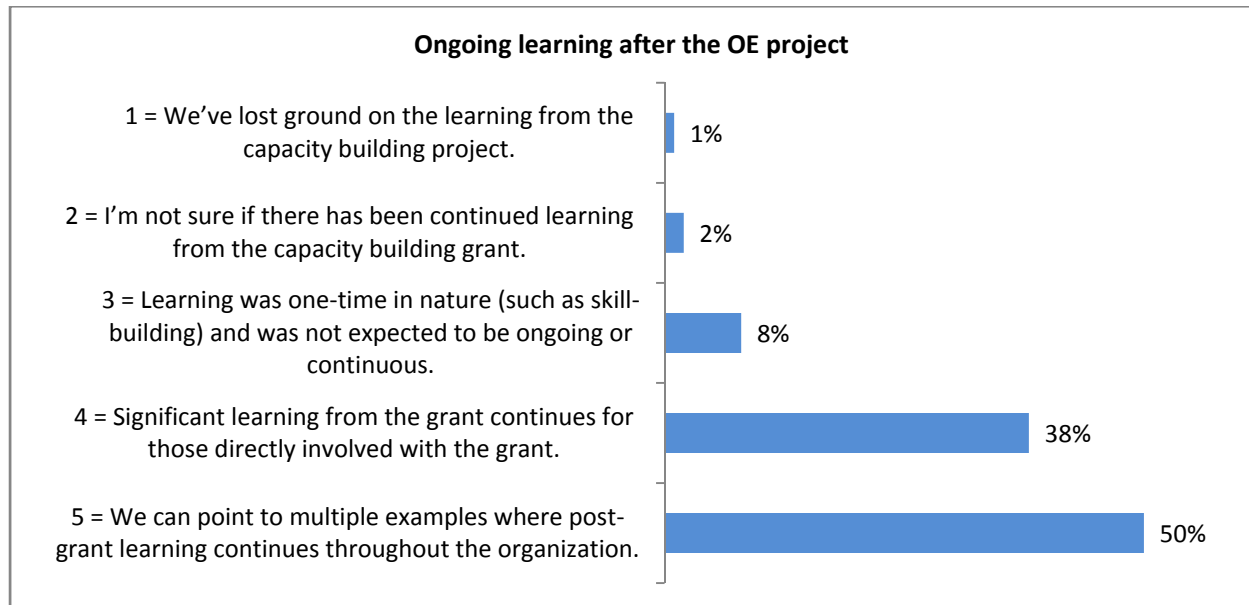
Figure 15

Interal capacity built with the OE project (recoded)

a)   Capacity was built to accomplish a one-time or short-term task (i.e. capital campaign, personnel manual, website redesign, etc.). ▌ 3%

b)   Capacity was built so internal staff can carry out the task the next time it is needed. ▌ 4%

c)   Capacity was built at a departmental level or project specific level. ▬ 11%

d)   Capacity was built at an organization-wide level. ▬▬▬▬▬▬▬▬▬ 79%

In addition, grantees ranked their organization's ongoing learning after the OE project. As shown in Figure 16, half of the survey respondents reported ongoing learning throughout the organization, and 38 percent of the respondents reported ongoing learning for those directly involved with the grant. In addition to the closed-ended data, 63 grantees provided examples/clarifying comments pertaining to ongoing learning in their organizations. Sixty-eight percent of these respondents (n=43) reported ongoing use of important tools, resources, and inputs to make decisions, including a written strategic plan, staff input, in-house data, etc. Thirty-eight percent of the respondents (n=24) reported ongoing self-assessment, using data to conduct strategic planning and following through on strategic plans.[18]

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[18] As described in the methodology section, qualitative data from the surveys requires some caution in interpretation since the open-ended question asked for additional or clarifying comments to a previous closed-ended question. Thus, results presented here are only representative of those respondents that provided the additional information.

Figure 16

Ongoing learning after the OE project

Response	Percentage
1 = We've lost ground on the learning from the capacity building project.	1%
2 = I'm not sure if there has been continued learning from the capacity building grant.	2%
3 = Learning was one-time in nature (such as skill-building) and was not expected to be ongoing or continuous.	8%
4 = Significant learning from the grant continues for those directly involved with the grant.	38%
5 = We can point to multiple examples where post-grant learning continues throughout the organization.	50%

Further analysis shows that among those who reported having built capacity at an organizational-wide level, 53% of them reported significant post-grant learning throughout the organization after their OE grant. Among grantees who reported building capacity at individual or departmental level, 36% of the grantees reported post-granting learning throughout the organization. While it is not a surprise that organizations that built capacity at an organizational-wide level reported higher level of ongoing learning than organizations that did not, the percentage was lower than we would have expected.

For grantees who developed a new capacity at an organizational-wide level, it is critical that they continue to learn and modify their work along the way to ensure that the new capacity does not fade away. We see this as a cyclical process of action-based learning, where organizations implement the changes, learn from the process, figure out what worked and what did not work, and modify and refine the implementation strategies. It is through this process that changes will stick. In other words, ongoing learning and modification is key to the sustainability of the new capacity. In the survey, while 80% of the grantees reported new capacity at an organizational-wide level, only 50% of the grantees reported ongoing post-grant learning throughout the organization and 38% reported significant learning limited to those who were directly involved with the grant. This leads us to question the sustainability of the new capacity for the grantees who lacked post-grant learning at an organizational-wide level.

In addition, TCC is skeptical about some of these results based on experience evaluating other capacity-building initiatives. While we would expect descriptions of sustained impact (as described in question one above), the ability to point to "post-grant learning throughout the organization" and sustained capacity at an organizational level seem high. It is not clear what grantees perceived as the behaviors associated with self-reporting at these levels and learning in public (LIP) efforts might have provided an opportunity to gain further clarity. Notwithstanding, additional research with a more proscribed behavioral framework would be necessary to answer this question of transactional versus ongoing transformational with more certainty. This is an example where the LIP was likely underutilized.

Research question 4: What contributed to the consultant relationship working or not working?

> Summary of findings:
> - According to grantees' survey responses, the most important factors contributing to consultant success were "understanding of grantees' unique needs" (34%) and "ongoing communications and trusting relationships" (29%), while "consulting skills" (23%) and "field knowledge" (15%) ranked lower.
> - Grantees whose consultants had both field knowledge and nonprofit experience scored higher in three outcome areas: sustainability of grant results, impact on program services, and organizational sustainability. Consultants' specific consulting experience did not make a difference in grantee outcomes.

According to grantees' qualitative responses in the survey, the top five key factors contributing to a successful consulting relationship were:
- Understand grantee's unique needs and culture and provide customized approach (34%)
- Ongoing communication, transparency, building trusting relationships (29%)
- Clear shared understanding of outcomes, scope, roles and responsibilities, and articulated plan to achieve desired goals with measure and indicators (23%)
- Consulting skills (facilitating not giving answers, know when to listen, when to guide, help client stay focused, keep them on track to achieve the objectives, inclusive of different voices, but will not get stuck in endless processing, analytical and synthesis skills, be proactive) (23%)
- Field knowledge (e.g., conservation, reproductive rights, etc.) (15%)

Based on their experience working with their consultant, close to 80% of the grantees reported that their consultant had solid background and knowledge in the specific consulting work they were looking for. Two-thirds of the grantees felt that their consultant had experience with nonprofit clients that then translated into a quality relationship with them. About half of the grantees reported that their consultant had a firm grasp of the most pressing issues in their field of work (e.g., conservation, reproductive rights, etc.). Overall, grantees reported high level of satisfaction with their consultants (Figure 17).

Figure 17

Satisfaction with the consultant

1	2	3	4	5
0%	4%	19%	40%	37%

■ 5=highest satisfaction

Grantees also identified key challenges or limitations that may have affected the working relationship with their consultant. The top five challenges were:

- Consultant's availability and accessibility (13 out of the 87 responses; 15%)
- Failed to understand grantee's unique needs and culture and provide customized approach (n=12; 14%)
- Failed to deliver high quality products that meet grantee's needs while staying within the timeline and budget (n=8; 9%)
- Unexpected internal and external problems (economy, disaster, technology, time, grantee and consulting staff turnover) (n=8; 9%)
- Require more staff support than expected due to consultant's lack of knowledge and experience (n=7; 8%)

Interestingly, when we examined the relationship between consultant competencies and grantees' outcomes, we found that consultant's field knowledge made a difference with regard to the impact of OE grant on program services, organizational sustainability, and overarching outcome: grantees who perceived their consultants has having this competency reported higher scores in these areas than grantees whose consultants did not have this competency. In addition, consultants' experience with nonprofit clients also made a difference in two outcome areas: ongoing learning and impact on program services. To explore this finding further, we compared grantees who reported that their consultants had both field knowledge and nonprofit experience (n=67) to those whose consultants did not have both competencies (n=102). The results showed that grantees whose consultants had both field knowledge and nonprofit experience scored higher in three outcome areas: sustainability of grant results, impact on program services, and organizational sustainability. Consultant's specific consulting experience did not make a difference in grantee outcomes (Table 8).

The implication for this is that when looking for an organizational effectiveness consultant, organizations might want to prioritize a consultant's broad knowledge of the field as well as their experience working with nonprofit organizations over their relative experience in a particular aspect of capacity building (e.g. fundraising, board development, etc.).

Table 8

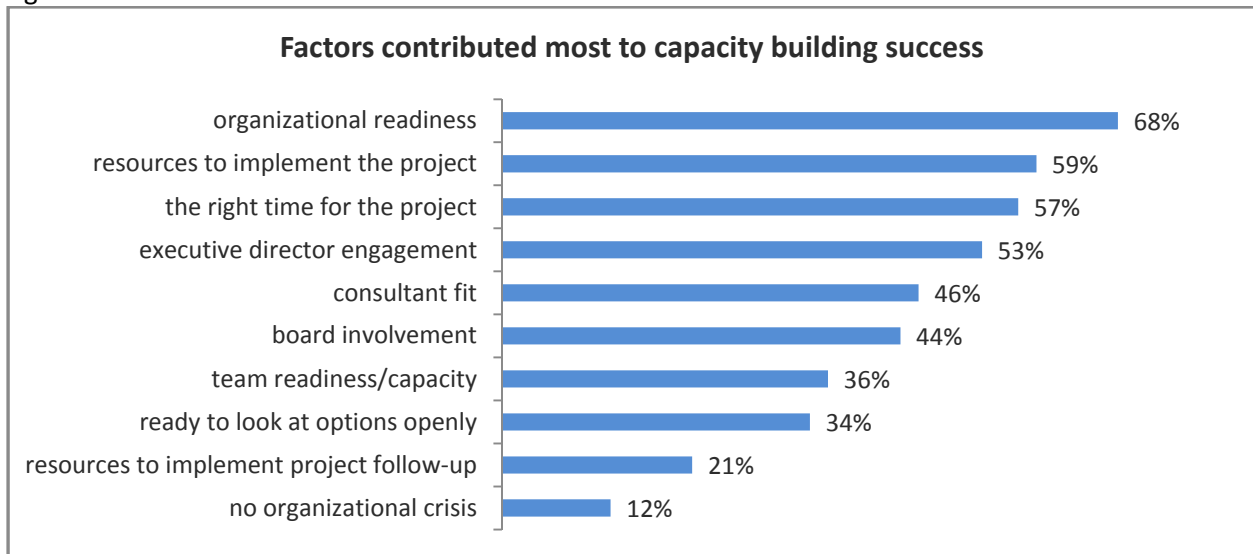| Consultant competency	Sustainability of grant results (ranking 1-5)	Ongoing learning: (ranking 1-5)	Impact on program services: (ranking 1-5)	Organizational sustainability: (ranking 1-5)	Overarching outcome
Field knowledge – Firm grasp of the most pressing issues in our field of work (n=82; 49%)			Higher	Higher	Higher
Consulting experience - Solid background and knowledge in the specific consulting work we were looking for (n=133; 79%)					
Nonprofit experience – Experience with nonprofit clients that then translated into quality relationship with us (n=111; 66%)	Higher	Higher		Higher	Higher
Field knowledge AND Nonprofit experience	Higher		Higher	Higher	Higher

Research question 5: What are the factors that contribute to a successful OE project? When and under what circumstances do OE projects succeed or fail?

Summary of findings:
- Grantees identified organizational readiness as the most important factor that contributed to the success of their OE projects, followed by resources to implement the project, the right timing for the project and executive director engagement.
- Strategic planning, organizational learning and leadership succession grants had higher levels of sustainability than fund development grants, though all had high levels.
- Fundraising grants achieved better results when there was strong leadership involvement. Fundraising grants that identified "Executive director engagement" as a key factor for project success scored higher in three outcome areas: sustainability of grant results, organizational sustainability, and overarching outcome.
- Grantees that identified "resources to implement the project" as a key factor to project success scored higher in three outcome areas: ongoing learning, organizational sustainability, and overarching outcome.
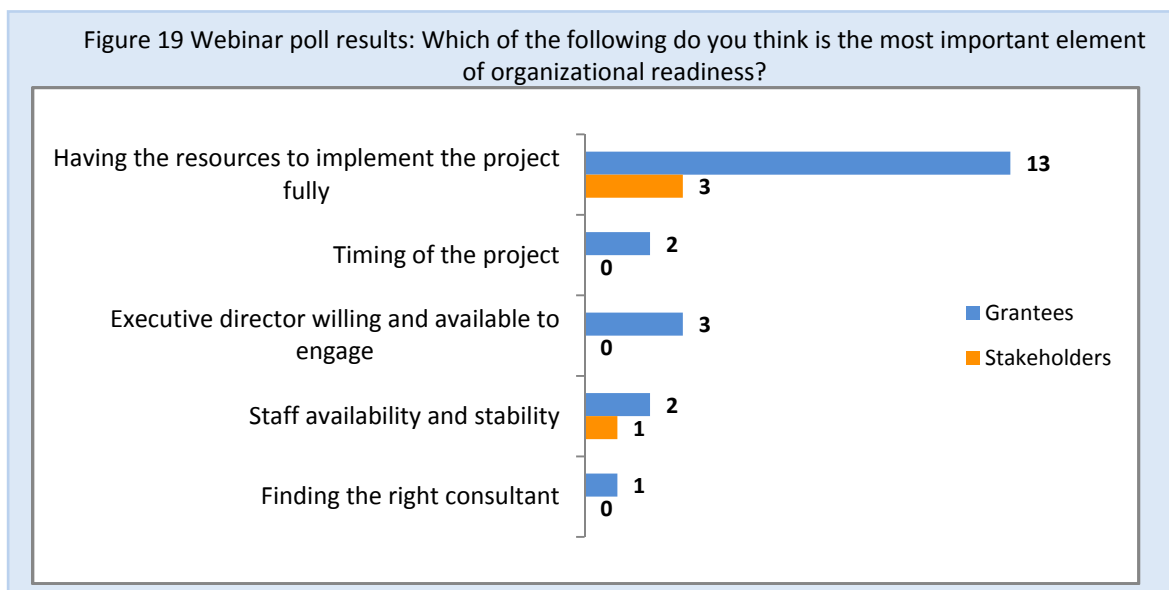
In the survey, grantees were asked to identify key factors that contributed to the success of their OE project. As shown in Figure 18, the number on factor to project success was organizational readiness (68% of the grants), which was followed by resources to implement the project (59%), the right time for the project (57%), executive director engagement (53%), and consultant fit (46%). This finding was consistent with the results from TCC's evaluation of other capacity building initiatives, in which readiness was one of the most important predictors of capacity building success.

Figure 18

Factors contributed most to capacity building success

Factor	Percentage
organizational readiness	68%
resources to implement the project	59%
the right time for the project	57%
executive director engagement	53%
consultant fit	46%
board involvement	44%
team readiness/capacity	36%
ready to look at options openly	34%
resources to implement project follow-up	21%
no organizational crisis	12%

The fact that 68% of the grants reported organization readiness has contributed to their project success suggested that Packard's current approach has been effective in ensuring grantee readiness before making an OE grant. As part of Packard's OE pre-grant assessment process, applicants were assessed by trained OE professionals on a number of fronts, including implementation funding, consultant selection, consultant workplan, operations funding, and integration of OE project with ongoing Foundation program priorities. During the Learning In Public process, both Packard Program Officers and Consultants saw this finding as a confirmation that the current assessment process for OE program, while informal, is work well, and that there is no need to change to a formal diagnostic tool.

Since the survey did not ask respondents what they considered as the most critical elements to organizational readiness, TCC posed this question to the participants during the webinar. As Figure 19 shows, "having the resources to implement the project fully" was identified as the top priority.

Figure 19 Webinar poll results: Which of the following do you think is the most important element of organizational readiness?

Element	Grantees	Stakeholders
Having the resources to implement the project fully	13	3
Timing of the project	2	0
Executive director willing and available to engage	3	0
Staff availability and stability	2	1
Finding the right consultant	1	0

A related data point came from grantee final reports. Grantees identified the top five challenges:[19]

- Implementation of capacity building changes (n=26; 15%)
- Staff time (n=21; 12%)
- Lack of leadership (n=20; 12%))
- Consultant management (n=18; 11%)
- Staff turnover (n=13; 8%)

As mentioned previously, these results provided grantee's perspectives on what worked and what did not; they did not directly measure grantees' experiences implementing the project (e.g., what is the quantity and quality of the resources and support they received). Using the data that are available, we identified a number of background variables and implementation condition variables, and examined which of these variables made a difference in grantee outcomes. Tables 8 and 9 summarize the results of "what made a difference in OE grants." Here are some key highlights:

a. There were no discernable differences between program areas in terms of outcomes (Table 8).
b. Strategic planning, organizational learning and leadership succession grants had higher levels of sustainability than fund development grants, though all had high levels. Specifically, grants that focused on fundraising capacity reported relatively lower levels of sustainability of their grant results and less impact on program services, as well as relatively lower scores in overarching outcome (this outcome is a combination of four outcome variables: sustainability of grant results, ongoing learning, impact on program services, organizational sustainability). We also conducted the analysis using the Packard Foundation's project focus categories and found similar results: Fund Development/Fundraising Feasibility Studies grants scored relatively lower in three outcome areas (Table 9).

The findings on fund development grants received varied reactions from the in-person discussion groups, as well as comments in response to an SSIR blog post TCC wrote highlighting these data. Some hypothesized that fundraising grants scored lower because it is easier to measure progress and when an objective is not met, grantees report lower outcomes; whereas it is harder to measure strategic planning or leadership capacity. Some pointed out that the economic recession is an important environmental factor that must be taken into consideration when assessing fundraising grantees' outcome achievement. During the webinar, while the majority of the participants agreed or strongly agreed with this finding, a number of people disagreed.

This led us to conduct additional analyses to further explore grants that focused on fund development (n=42). As shown in Figure 20, the top five factors that contributed to project success for fundraising grants were executive director engagement, timing, organizational readiness, resources to implement project, and board development. We examined whether the success factors made a difference in the outcomes for fundraising grants. Our analysis suggested that fundraising grants that identified "Executive director engagement" as a key factor for project success scored higher in three outcome areas: sustainability of grant results, organizational sustainability, and overarching outcome. In grantees' final reports, although the number is small, it is worth mentioning that the top challenges that grantees identified in the
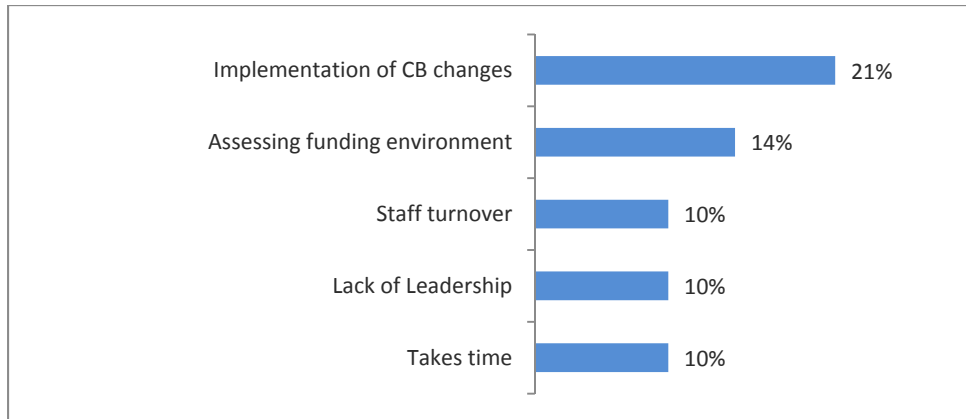
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[19] Recent final reports show a reduction in some of these challenges, perhaps reflecting improvement in the OE approach.

immediate aftermath of the grant were implementation of capacity building changes and assessing the funding environment (Figure 21).

Figure 20: Key factors that contributed to project success for grants that focused on fund development

f) executive director engagement	60%
a) the right time for the project	57%
b) organizational readiness	55%
c) resources to implement the project	48%
e) board involvement	48%
g) consultant fit	45%
j) team readiness/capacity	40%
h) ready to look at options openly	36%
d) resources to implement project follow-up	14%
i) no organizational crisis	7%

Figure 21: Key challenges for grants that focused on fund development (based on grantee final report completed at the end of the OE grant)

Implementation of CB changes	21%
Assessing funding environment	14%
Staff turnover	10%
Lack of Leadership	10%
Takes time	10%

c. There were no significant differences between network grantees and non-network grantees in the key outcome areas (i.e. grant results sustainability, ongoing learning, impact on program services, organizational sustainability) (table 10).

d. Geographic area made a difference in one outcome. International grantees scored higher in ongoing learning than their US peers (table 10).

e. Grantees' budget size mattered in one outcome area. Organizations with a budget of $10 million or above reported higher level of organizational sustainability (table 10).

f. The amount of grant did not make a difference in any outcome area. Yet, questions of impact based on grant size have several mitigating factors. First, some capacity areas may require more resources. For example, conducting a comprehensive strategic planning is likely to be much more expensive than providing staff leadership training. Second, going deeper in one capacity area may cost the same as more "shallow" capacity building across multiple areas. Third, the size of an OE grant needs to be considered against the size of the organization—developing a

human resource manual for a nonprofit with a staff of more than 1,000 and operations in multiple countries is likely to be more expensive than developing a similar manual for a community-based arts organization, even though an assessment of the organizational effectiveness outcome would be similar.

In previous capacity-building evaluations, TCC has tried to control for some of these things, with varying degrees of success. Our longitudinal work with the Chesapeake Bay Trust's capacity-building initiative was able to calculate a "cost-per-outcome" since we had very detailed outcome and cost data. The Goldmine data is much less complete, which significantly limited our ability to answer this question. However, here is what we found:

- There is an expected and actual significant correlation between organizational budget size and amount of the OE grant. The bigger the budget size, the bigger the grant.
- There was not a significant difference in the number of outcomes achieved by grantees, indicating that larger grants were not targeting more capacity areas (see Table 9). In fact, when controlling for budget size, the only category with a significant difference were very large organizations ($10M+), which saw the number of new or long-term outcomes decrease as the grant size increased. This is likely an indicator that, in addition to having larger scopes for any project due to size, larger organizations might focus on more narrow and deeper projects with greater amounts of funding while smaller organizations are more likely to expand or contract what they would normally plan on doing based on the size of the OE grant budget.

Table 9 Average Number of Sub-Capacities Improved* By Size of Grant

	Number of outcomes (at end of grant)	Number of new or long-term outcomes (reported in survey)
< 20K (n=16)	2.63	2.63
20K-39K (n=86)	2.94	2.95
40K-59K (n=49)	2.82	2.80
60K+ (n=18)	3.33	2.39

*based on qualitative analysis of survey data using TCC's Four Core Capacity model as the analytical framework.

g. Implementation resources and support made a difference in a number of outcome areas. Grantees that identified "resources to implement the project" as a key factor to project success scored higher in three outcome areas: ongoing learning, organizational sustainability, and overarching outcome[20]. In addition, grantees that identified "resources to implement project follow-up" as key factor to their project success scored higher in the overarching outcome (table 11).

h. Grantees who reported implementation of capacity building changes as a challenge reported less impact on program services and scored lower in the overarching outcome.

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[20]This variable is created by calculating the average of the four outcome variables: sustainability of grant results, ongoing learning, impact on program services, organizational sustainability.

     i.   Grantees who experience challenges with regard to consultant management reported lower level of outcomes in ongoing learning, organizational sustainability and overarching outcome (table 11).

Table 10: Background variables that made a difference in OE outcomes[a]

[b]	Sustainability of grant results (ranking 1-5)	Ongoing learning (ranking 1-5)	Impact on program services (ranking 1-5)	Organizational sustainability (ranking 1-5)	Overarching outcome scale (ranking 1-5) [b]
Program area:					
• Children, Families, Communities (n=25)					
• Conservation and Science (n=53)					
• Population (n=27)					
• Local Grantmaking (n=43)					
• Other (n=21)					
Grant objectives					
• Strategic planning (n=58)			Higher		Higher
• A1 – Organizational learning (n=57)	Higher				Higher
• A3 – Organizational resources sustainability (n=56)	Lower		Lower		
• A4 – Programmatic learning (n=13)					
• L1 – Internal leadership (n=21)					
• L3 – Leadership sustainability (n=11)	Higher		Higher		
• L4 – Board leadership (n=21)					
• T6 – Marketing skills (n=21)		Higher			Higher
• T8 – Fundraising skills (n=42)	Lower		Lower		Lower
Project Focus (Primary)	Fund development (Lower)		Fund development (Lower)		Fund development (Lower)
• Fund Development/Fundraising Feasibility Studies (n=34)					
• All other areas (n=135)					
Network: (based on OE survey)					
• Network (n=124) [c]					
• Non-network (n=45)					
Geographic area:		International (Higher)			
• International=39					
• US=130					
Organizational size:				10M+ (Higher)	
• 50K- <500K (n=11)					
• 500K - <1M (n=22)					
• 1M - <2.5M (n=32)					
• 2.5M - < 5M (n=37)					
• 5M - < 10M (n=33)					
• 10M + (n=30)					
Grant amount:					
• < 20K (n=16)					
• 20K-39K (n=86)					
• 40K-59K (n=49)					
• 60K+ (n=18)					

[a] Blank cell means no statistical significance between the groups

[b] This variable is created by calculating the average of the four outcome variables: sustainability of grant results, ongoing learning, impact on program services, organizational sustainability.

[c] This category includes (1) network organizations and (2) non-network organizations that are highly networked.

Table 11 Implementation conditions that made a difference in OE outcomes[a]

	Sustainability of grant results (ranking 1-5)	Ongoing learning (ranking 1-5)	Impact on program services (ranking 1-5)	Organizational sustainability (ranking 1-5)	Overarching outcome scale (ranking 1-5) [b]
Grants that identified the following as a key factor to their CB success (survey data):					
• the right time for the project (n=97)					
• organizational readiness (n=115)					
• resources to implement the project (n=100)		Higher		Higher	Higher
• resources to implement project follow-up (n=35)					Higher
• executive director engagement (n=90)					
Grants that reported the following challenges (final report data):					
• Implementation of CB changes (n=26)			Lower		Lower
• Staff time (n=21)	Lower				
• Lack of leadership (n=20)					
• Consultant management (n=18)		Lower		Lower	Lower
• Staff turnover (n=13)					

[a] Blank cell means no statistical significance between the groups

V. Reflections on the "Learning in Public" Approach

In this project, a distinct approach was used that included Learning in Public (LIP). This process included back-end research by TCC Group that was transparently released in pieces over the course of the project. The LIP used two mechanisms: the Packard OE Wiki site and various public engagement venues that included webinars, roundtables, and conference discussions. The intent was two-fold. First, it was designed to be a way to disseminate findings and generate conversation around findings that were more easily "digestible" in pieces, rather than as a full report. Second, the process was meant to inform the research itself by identifying additional areas for analysis and providing insight to interpreting the data.

The process resulted in some tangible touch points that benefited both the researchers and those engaged, but also included several struggles. Some of the key reflections on this process include:

- **Real-time interactions with researchers around findings (e.g., in-person discussions, webinar) generated higher level of interests and engagement than the wiki.** The project struggled throughout to generate an active conversation on the wiki site. There were isolated pockets, such as early threads reflecting on how to best use the wiki site for the project, but overall the engagement on the wiki site was minimal. Some of the reasons we hypothesize include:
    - The format for posting and editing may have been confusing to participants.
    - The amount of content was too extensive for meaningful interaction.
    - The format of the presentation of the data was not as accessible as it could have been.
    - The "stories" that might prompt a personal reflection were not added until late in the process.
    - It is unrealistic to expect ongoing engagement over time in data that people are not highly invested in.
    - The public nature of the wiki might be a barrier for participation. People may not want to "put themselves out there."
    - Wiki skill/comfort level causes challenges for some that would otherwise likely engage.

    Other venues, such as conferences, in-person discussion groups and webinars generated thoughtful discussions and raised the visibility of findings. Notwithstanding the challenges of the wiki, we found that both the wiki and the live interactions served to engage new stakeholders. The greatest interest was generated when the two forms were used in tandem. For example, the wiki had spikes in engagement following other activities (e.g., Bay Area Consultants, SSIR Blog, and ARNOVA/Tweets) that had more direct conversations and then referenced the wiki.

- **We had unrealistic expectations about the level of interest that people would have in data analysis and interpretation.** Some feedback indicated that participants wanted findings and wanted to discuss findings, but were less inclined to discuss data, particularly data that they were not highly invested in personally.
- **The benefit of LIP to the research was fairly limited.** As researchers, we benefited from some insights about what to look at. Some feedback spurred our own thinking about what we might be able to analyze. Further, the process of preparing discrete findings and presentations forced us as researchers to think about coherence and how to present the data, which was particularly helpful in preparing this report. However, overall, the input and insights garnered from LIP did

not significantly inform the analysis as the level of analysis we did was quite deep and nuanced. The one exception was the grantee/stakeholder webinar, which resulted in a strong venue for validating findings and asking some targeted questions.

- One specific challenge about LIP was related to sharing research findings in small chunks along the way. **This process forced us to share "partial conclusions" in public before we had a chance to thoroughly analyze the data and develop a comprehensive understanding of the results, including contradictions between different data points and multiple ways to address such contradictions.** In particular, we deliberately aimed to be provocative in framing findings to increase engagement via social media. While this approach seems more likely to catch the attention of an external audience, it is possible that the audience only read the provocative finding statements without reviewing the analysis behind the findings and context of the research. This has implications to the researchers' reputation. The finding around fund development grants is a good example. While TCC was careful about presenting this piece of the data, the fundamental message – "the importance of integrating fundraising with other critical leadership capacities"- was misinterpreted by some as "fundraising support is not helpful to nonprofits." We learned the messiness of LIP and what it means to "put yourself out there."

  In addition, the initial research findings were more about process elements of the grants because those needed to be processed before moving to correlational outcomes. This was somewhat frustrating to some stakeholders because people wanted the most interesting findings, which are derived from the correlational outcomes.

  One advantage of releasing the data in small chunks is that it aided in the overall organization of findings and data. In particular, posting information on the wiki served as an effective way to organize information (even if it wasn't so effective as an engagement channel).

- **The level of effort of doing LIP was very high.** The amount of time and energy spent by the researchers was significant and exceeded initial estimates. In particular, managing extensive data on the wiki site while continuing to do analysis proved challenging to stay on top of. Further, there was a level of "dissemination" management that the process required that is more intensive than a traditional research project.
- **LIP is exciting and provides some real opportunities to enhance the visibility of specific data and issues, but needs clear outcomes attached.** The process itself and the fact that the team was sharing in various venues led to several mentions in major conferences, on listservs and in blogs. It was exciting for both the team and external individuals and kept momentum and engagement in the process. A limitation in our approach to manage excitement versus outcomes was that we did not sufficiently define engagement or engagement success for the projects at the outset. We did get good engagement around defining success during the process through a robust conversation on the wiki and the engagement of stakeholders in defining success was, in our estimation positive.

VI. Implications

Overall, OE research findings as well as insights generated through the LIP process suggested that Packard's OE program is achieving its desired outcomes. Key highlights include:

- More than half of the OE grants (53%) reported that new capacity was built and has sustained itself with significant organizational wide impact.
- Grantees reported that they can clearly make the link between organizational capacity building and program service outputs or outcomes in a measurable way. 66% of 169 grantees said the OE grant had "significant" or "transformational" and measurable impact on program services.
- Close to 80% of the OE grants have resulted in new capacity at an organizational-wide level
- Grantees identified organizational readiness as the most important factor that contributed to the success of their OE projects. Sixty eight percent of the grants reported organization readiness has contributed to their project success, which suggested that Packard's current approach has been effective in ensuring grantee readiness before making an OE grant.

These positive results suggested that Packard's current OE approach has largely been effective. To further enhance the OE program, TCC discusses some implications for the Packard Foundation, as well as other founders and practitioners in the nonprofit capacity building field.

- Organizational readiness is a critical factor to the success of a capacity building project. The key question is not whether an organization is ready for capacity building, but what types of intervention is an organization ready for? To answer that question, nonprofits will need to conduct a comprehensive diagnosis and use the assessment results to help them prioritize organizational needs based on where the organization is developmentally. While Packard's current informal readiness assessment process seems to be effective, TCC wonders if grantees and Packard would benefit from a more systematic diagnostic tool that incorporates input from multiple people from the grantee organization. While the desire to not place duplicative burden on grantees is important (e.g. force them to do a Packard specific assessment and another funder forces them to do their own assessment), the notion of having a clear diagnostic as part of the process is important.
- To be effective and sustainable, it is important that fund development grants are combined with solid leadership, especially the engagement of the executive director.
- Ensure that grantees have necessary resources and support to implement their project during and after their grants. Packard and other funders may want to consider providing more "go" capacity building or implementation support services, such as action-oriented learning, peer exchange, coaching, real-time tools, and hands-on assistance. Go capacity building is the process of providing support to help nonprofits to continue practice new behaviors, learn and modify them, with the goal of not only changing behavior once, but to institutionalize new individual and group behavioral practices (i.e., habits). In addition, capacity builders can help nonprofits prepare for the "go/implementation phase" during the earlier "ready/set" phase, helping them to anticipate implementation programs and to consider contingencies. In practice, Packard would seem to do this through their ongoing program operations funding. However, experience in evaluating general support grants indicates that organizations frequently do not make strong connections between their program funding (including general support type funding) and capacity building. As a result, the "go" type services here are likely to benefit from an explicit relationship to OE activities that may go beyond Packard's current practice.

- Packard is committed to evaluating its effectiveness and to continue the process of learning. The report has highlighted several considerations with regard to the data. Packard should review its evaluation process to understand how things can be better streamlined and how to gather data that is consistent and reliable. In Appendix C we have included several additional recommendations specific to evaluation considerations.
- There is clear evidence that OE grants helped organizations improved their capacity to plan, learn more effectively, and develop strategies to garner more resources. A critical next step for these organizations is to strengthen their management capacity to ensure that they have the ability to manage and utilize the growing resources efficiently and effectively. Focusing on management capacity in the abstract can be challenging for grantees. As a result grantees might assume management capacity as an implicit part of their OE work. Data from the field indicates that this is an unfounded assumption and that OE work would benefit from explicit recognition of management capacity implications.
- There is clear evidence that Packard's current OE approach is effective in achieving desired outcomes. To achieve even greater impact, there might be opportunity for Packard to further enhance its OE work. Some possible areas for improvement include employing a more holistic, in-depth approach to capacity building; better integration of program and OE goals, plans, and activities; and conducting consistent organizational assessment to inform the development of a comprehensive long-term capacity-building plan for grantees.