



NEXT STAGE GRANTS LEARNING REPORT

Helping Los Angeles Jewish Nonprofits Thrive

Key Learnings from the Next Stage Capacity Building Pilot

Prepared for the Jewish Community Foundation of Los Angeles by Engage R+D

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Foreword

For 65 years, the Jewish Community Foundation of Los Angeles has partnered with Jewish philanthropists to invest in the needs of the local Jewish and wider community in Los Angeles through thoughtful, meaningful, and impactful grantmaking. Collectively our support reflects the diversity of ways our donor community practices the Jewish value of *tikkun olam*, to repair a broken world, and demonstrates just what is possible when we come together as a committed community to make a difference.

Los Angeles has long been known as a hotbed for innovation, both in the Jewish and wider community. It is recognized for unique solutions to pressing problems that communities grapple with around the country, solutions that spring forth from some of the greatest minds in the nonprofit, public and private sectors. Many of the nonprofit organizations we have supported started out modestly, fueled by concerned individuals with a passion and vision to improve lives and connections locally. Over the years, they have grown to serve tens of thousands across every field and issue – providing a home for low-income seniors, helping individuals of diverse abilities live full and supported lives, advocating for the needs and rights of Holocaust survivors, supporting the vibrancy of Jewish communal life, and providing students with access to a higher education. Particularly for many of the new and established Jewish institutions, The Foundation and its donors were there from the start, helping to add their first staff, develop new programs or acquire their first building.

That commitment to innovation is reflected in our signature grant program, Cutting Edge Grants, which to date has invested more than \$19 million to launch over 100 new and innovative programs and organizations during the past 13 years, many of which have gone to scale nationally. Building upon a track record of success and a framework dedicated to ongoing learning, we engaged in 2016 in a year-long reflective process that included grantee focus groups, surveys, one-on-one meetings and research. Through that learning process, we recognized that to sustain innovation, to strengthen effectiveness and increase impact on the communities and people served into the future, nonprofits need meaningful resources to take their organizational capacity to the next level. From there, our 2017 Next Stage Grants pilot was launched.

While we are still early in our journey, this report represents an opportunity for us to share what we are learning about the value and importance of investing in organizational capacity and effectiveness. It is our hope that learnings and reflections shared herein further contribute to the field of capacity-building and help funders and those who work with them to make the case for supporting capacity building in its many forms. Particularly, we see this as an opportunity to encourage Jewish philanthropic individuals, families and institutions to consider new ways to bring the elements of capacity-building more deeply into their work and into how they partner with the nonprofit community.

We would like to thank Sonia Taddy-Sandino at Engage R+D for her expertise in helping to design the pilot, coach the Next Stage grantees, and summarize our learnings in this report. We would like to acknowledge the Newton D. and Rochelle F. Becker Foundation and Marilyn and Eugene Stein for their generous support of our inaugural grants. We also recognize all the Jewish funders and Jewish nonprofits across the country who have contributed to a growing focus on capacity building within our community, including Glazer Philanthropies, Leading Edge, Jim Joseph Foundation, Upstart, and Jewish Federations and Jewish Community Foundations across the country. And beyond our community, we acknowledge and thank the many foundations and nonprofits around the country who are building the knowledge base and elevating the importance of nonprofit capacity building at large. We have learned from their rich experience and have incorporated many of those lessons into our approach. In the spirit of shared learning, we hope this report is useful to others and contributes to the broader capacity building field. We welcome your ideas and feedback.

Elana Wien, Vice President
Center for Designed Philanthropy
Jewish Community Foundation of Los Angeles

Warren Fong, Senior Program Officer
Center for Designed Philanthropy
Jewish Community Foundation of Los Angeles

Executive Summary

Strong, well-resourced nonprofits are an indispensable part of our social fabric and play a key role in providing critical services that contribute to thriving communities. In an era of growing need and decreased availability of government dollars, nonprofits are increasingly forced to do more with less. They are also faced with limited time and resources to build their own core infrastructure and strengthen their capacity to expand services and deliver them more effectively.

As the leader in charitable giving services for Jewish philanthropists in Los Angeles, the Jewish Community Foundation of Los Angeles (The Foundation) seeks to magnify the impact of its donor's giving, build enduring legacies, and strengthen the Jewish and local Los Angeles community through effective grantmaking. To help achieve those goals, The Foundation launched the *Next Stage Grants* pilot in 2017 to help Jewish organizations and institutions in the region build their capacity and increase their effectiveness. The Foundation designed and launched the pilot with four organizations, offering funding of up to \$250,000 over a two to three-year period, a semi-structured approach and space for grantees to engage with The Foundation in testing and learning. This executive summary and the full report highlight key learnings and insights from the pilot, including gains, benefits and challenges as well as considerations to guide *Next Stage Grants* moving forward.

“Capacity building is a challenging process that requires time, effort, commitment, follow-through, introspection and lots of sweat!”

~ Next Stage Grantee

¹ Through *Cutting Edge Grants*, the Foundation has invested over \$19 million since 2006 to launch over 100 new, innovative Jewish programs and organizations.

About Next Stage Grants

Next Stage Grants is a capacity building grant opportunity designed to strengthen the organizational effectiveness of former *Cutting Edge Grant* recipients¹ that are ready, willing, and able to take their organization to the next level. The long-term goal of *Next Stage Grants* is to create a stronger network of thriving Jewish institutions with the resources, capacities, and effectiveness to serve the evolving and diverse needs of the greater Los Angeles community. *Next Stage Grants* was conceived as a two to three-year capacity building opportunity that provides a combination of financial support with tailored assistance to meet the unique needs of grantees.

Specifically, organizations receive grants, structured organizational assessments, technical assistance and customized coaching to build their organizational muscle in critical capacity areas. During the grant period, grantees worked to strengthen their capacity in a number of critical domains. Examples are highlighted below²:



Leadership: Grantees focused on re-energizing their boards and building more robust management and support teams, allowing executive leaders to use their time more strategically and to focus on navigating change.



Management: Grantees strengthened their volunteer management, streamlined operational systems, refined human resource systems, and strengthened financial management.



Technical: Grantees revamped marketing materials and communications plans, strengthened outreach efforts and improved facilities and workspaces to create environments that encourage collaboration and efficiency.



Adaptive: Grantees strengthened program delivery through learning and evaluation, and actively engaged in critical reflection

² TCC Group's capacity building framework and its Core Capacity Assessment Tool was used to organize the insights from the *Next Stage* pilot.

about what needs to be refined or changed to take their organization to the next level.



Organizational culture: Several grantees seized the opportunity to re-energize and unify their teams by sponsoring mini-retreats, implementing team-building activities and strengthening professional development opportunities.

Through the pilot, The Foundation hoped to learn more about what it takes to help nonprofits strengthen their capacity to function more effectively as well as strengthen their ability to adapt to challenges and opportunities in a constantly shifting landscape.

Key Insights and Lessons Learned

1

Flexible grants coupled with technical support bring fresh perspective and build space to focus on capacity building

In addition to the generous multi-year funding, grantees appreciated the technical support, structure, and one-on-one coaching. The large and relatively flexible grants not only allowed grantees to focus their time and attention on their capacity building goals but also provided the resources and space to execute their priorities. One grantee noted that while the organization already had some plans to address the priorities in its Next Stage Grant, those plans were often put off as a result of the daily demands of running a nonprofit. Receiving this grant provided them with the resources and backing to move forward on essential capacity building goals.

Overall, grantees said they valued the additional resource of having a coach to provide guidance and serve as a sounding board. As issues bubbled up, senior staff had an external thought partner to vet ideas and troubleshoot in real-time. In addition to the fresh perspective, they valued having a trusted advisor and carving out regular time to focus on capacity building, particularly when other responsibilities might divert their attention. Grantees recognized that capacity building requires discipline and often entails a

shift in thinking and practice. Having regular check-ins and working with an external entity provided structure and encouragement as grantees sought to strengthen practices, implement process improvements, and cultivate their internal teams.

2

Organizational assessments help grantees gain clarity about ways to improve performance

At the beginning of the pilot, grantees used an online assessment tool to gain a fuller picture of their organizational strengths and weaknesses. While most found the process cumbersome, they valued the conversation and opportunity to reflect on areas they may not have otherwise explored. For the most part, the assessment validated things they already knew, but also uncovered areas ripe for exploration. For example, as a result of the assessment, several organizations paused to re-assess gaps in staffing and how key leaders could use their time more strategically. It also spurred deeper reflection about organizational culture and staff morale and how that can facilitate or hinder progress toward organizational goals.

The use of an assessment tool and external facilitator created space for small groups of team members to fully participate in the reflection and gain new perspectives about their needs and priorities. Most grantees made modifications to their original capacity building request which were reflected in a more detailed capacity building plan. Coaching and support from other technical consultants also helped to deepen grantees' understanding that capacity building grants are more than an infusion of additional capital to support operations - they are also an opportunity to strengthen practices, tools, and organizational muscle in ways that improve their effectiveness and reach.

3

A learning orientation and critical reflection are key ingredients for success

Literature on organizational effectiveness underscores the strong connection between a learning orientation and improved organizational performance. The most successful executive leaders in the *Next Stage Grants* pilot demonstrated this orientation and were well-positioned to inspire and engage their staff and boards to advance the organization's capacity building goals.

While *Next Stage* dollars were often used to fund staff time or purchase systems and services, they also provided a critical opportunity to build organizational muscle by strengthening practices, behaviors, and organizational culture. Pausing to take stock of these areas is a critical first step to strengthen organizational effectiveness. It requires an openness to learning and critical reflection among leaders, board members, and staff to better understand what is working and what may be hindering optimal results. This can be a disruptive process, and some stakeholders may be reluctant to change. In future funding cycles, *Next Stage* could provide executive leaders (potentially through peer-learning) more support and guidance on change management to navigate the anxiety and disruption change often brings.

4 Capacity building is a journey, not a destination

Capacity building takes time and requires a shift in thinking, mindsets, and practices. Early into the pilot, grantees reflected that given capacity building is an interactive, deliberate process, it often takes more time than originally anticipated. In addition to the usual day-to-day responsibilities, executive leaders grappled with a myriad of other responsibilities and unexpected demands. Grantees worked on instituting changes in infrastructure, staffing, board structure, programs and processes, which requires significant planning, leadership, staff buy-in and an ability to adapt as plans are implemented. Over the two-year period, all grantees experienced staff turn-over at different levels. Some experienced delays hiring key staff, finding the right technical consultants, or testing new tools and information systems. Three of the four grantees felt they needed more than two years originally anticipated to fully implement the priorities outlined in their capacity building plans. The *Next Stage Grants* allowed grantees to tackle these changes from a position of strength with the resources and flexibility to not only address challenges but stick with and build from them.

5 Capacity building grants can cultivate more transparent and trusting relationships

Capacity building initiatives often require grantees to reveal what's "under the hood" and share vulnerabilities with their funder. Likewise, The

Foundation needed to be transparent from the beginning with its pilot grantees that this was its first foray into a new type of grantmaking, and therefore both grantee and Foundation staff and coaches would be expected to be actively engaged in testing and learning together. By design, The Foundation sought to create a supportive environment that honored the perspectives and initial project goals identified by grantees, while creating the space for them to uncover new opportunities and possibilities to increase the effectiveness of their organizations throughout the course of the grant. This was an important step for The Foundation whose largest grant investments previously had been to launch new programs, with a focus on traditional program metrics and outcomes, versus an organizational capacity-focused approach.

Next Stage also marked a significant shift for grantees who found themselves navigating a different type of engagement with The Foundation. Unlike their previous program-focused grants, *Next Stage Grants* invest in the organization and requires grantees to think more holistically about the health and stability of their organization. Both The Foundation and the grantees had to evolve and re-imagine the nature of their interaction, particularly as circumstances changed and priorities shifted.

77%

of staffed foundations provide some capacity-building support; 27% have increased that support in the past 3 years.

Grantmakers for Effective Organizations, Is Grantmaking Getting Smarter? (Washington, D.C.: GEO, 2014)

Initially, there was some confusion about roles and expectations and it took time to develop trust and learn to work in new ways. Ultimately, the grantees expressed appreciation and gratitude for the latitude they were given as well as the supports and encouragement to go deeper. One grantee noted, The Foundation “trusts who we are as an organization and not just as a project [or] the next shiny thing.” Others described their interactions with The Foundation staff as authentic, genuine, and respectful. The Foundation staff found that the quality of their interactions with grantees was much deeper and more meaningful. One grantee reflected that their “relationship with other funders is often very transactional” and that The Foundation was truly interested in strengthening their organization.

“[The Foundation] trusts who we are as an organization and not just as a project [or] the next shiny thing.”

Next Stage Grantee

Introduction

Why Nonprofit Capacity Building Matters

Strong nonprofits are an indispensable part of our social fabric and play a key role in providing critical services that contribute to thriving communities. In an era of growing need and decreased government dollars available, nonprofits are increasingly forced to do more with less. They are also faced with limited resources to build their own core infrastructure and strengthen their capacity to deliver services more effectively.

Nonprofit capacity building programs seek to enhance a nonprofit's effectiveness and ability to achieve its mission over time. Grantmakers for Effective Organizations (GEO), defines *nonprofit effectiveness* as the ability of an organization to fulfill its mission through a blend of sound management, strong governance, and a persistent rededication to assessing and achieving results.³ Foundations that support capacity building typically provide flexible funding, often with an array of other supports that may include peer learning, trainings, coaching, and technical assistance. Given the dynamic nature of organizations, capacity needs vary depending on an organization's size, stage of development, program model, revenue base, and a range of other factors. Capacity needs also change over time as organizations evolve and conditions shift.

Los Angeles is home to a thriving community of Jewish nonprofits and institutions that focus on a broad range of social, cultural, and educational issues. Like most nonprofits, they often lack the time and resources to invest in their own development, infrastructure, and growth. Los Angeles is also home to a growing community of Jewish philanthropists and donors looking to make a difference through charitable giving. The Jewish Community Foundation of Los Angeles (The Foundation) saw a natural opportunity to connect a growing need in the Jewish nonprofit community with donors who value and understand the important role of resilient, thriving, and impactful nonprofits.

³ <https://www.geofunders.org/resources/what-is-nonprofit-capacity-and-why-does-it-matter-675>

About the Jewish Community Foundation

For 65 years, the Jewish Community Foundation of Los Angeles (The Foundation) has helped donors make a significant impact through their philanthropy, while making their own investments in the Jewish community and community at large through *Cutting Edge Grants*, *Israel Grants*, *General Community Grants* and *Capital Grants*. As one of the 10 largest foundations in Los Angeles, The Foundation and its donors have given away over \$1 billion in grants to thousands of nonprofits in the past 15 years. Through The Foundation's *Cutting Edge Grants* program, they have invested over \$19 million since 2006 to launch over 100 new, innovative programs and organizations serving the Los Angeles Jewish community. These grants have served thousands of all ages in Los Angeles, through everything ranging from services for individuals with disabilities, community theater and arts programs, supporting older adults, addressing substance abuse and youth engagement.

About the Next Stage Grants Pilot

Not long after celebrating 60 years of grantmaking, The Foundation began to explore ways to support the nonprofits they had launched through *Cutting Edge Grants*, to position grantees for long-term sustainability. The Foundation embarked on a year-long reflective process that included grantee focus groups, surveys, and one-on-one meetings with other foundations and executive leaders of large Jewish nonprofits. They also reviewed the literature and sought insights from the broader field. From that process they learned:

- **There is a high need for organizational capacity building:** The vast majority (86%) of *Cutting Edge* grantees experienced challenges sustaining programs long term and 60% identified capacity building as a high need. Specific areas of need included measuring and communicating impact, leadership development, fundraising, community partnerships, and strategic planning.

- **There is an insufficient pipeline of new executive leaders:** A 2014 Bridgespan study found that 75-90% of Jewish organizations will need new executive leadership in the next 5-7 years.⁴
- **Long-term relationships position nonprofits for long-term sustainability:** Conversations with other funders and field research underscored the importance of building trusting and long-term relationships between grantees and funders. They also found the majority of private foundations provided some form of technical assistance as part of capacity building grants.

As a result of this research and reflection, The Foundation affirmed its commitment to help grantees strengthen their effectiveness and position them to become self-sustaining. *Next Stage Grants*, a multi-year capacity building opportunity was launched in 2017 and four Los Angeles-based Jewish nonprofits were selected to participate in the initial pilot. Together they received over \$1 million in funding and services to advance their capacity building goals.

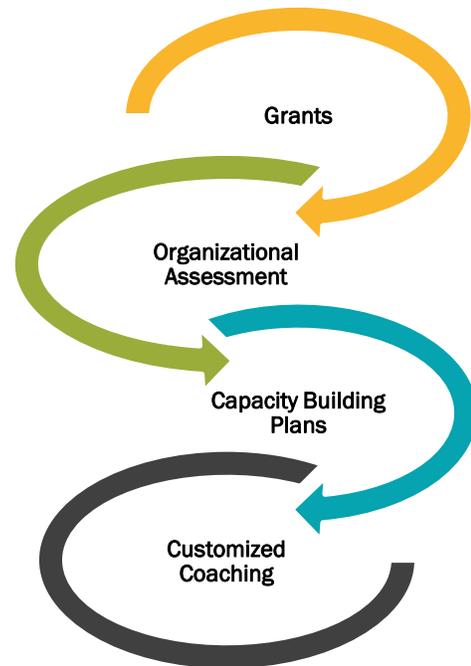
Given that capacity building and technical assistance is a new endeavor for The Foundation, they opted to start with a small group and use the initial pilot to test, learn, and refine their approach. This learning report documents The Foundation’s process and lifts up early learnings and insights from the first two years of *Next Stage*. From the onset, The Foundation set out to answer the following questions:

- How are grantees using the financial and technical support to prioritize and advance their organizational capacity and effectiveness?
- In what ways has the *Next Stage* opportunity helped to strengthen their capacity? What have been their most notable achievements?
- What have been the challenges or barriers to progress?
- What was most effective about *Next Stage Grants* and what could be strengthened to improve its effectiveness?
- What are key lessons learned and implications for future funding cycles?

⁴ <https://www.bridgespan.org/insights/library/leadership-development/building-a-field-specific-leadership-pipeline>

Core Capacity Building Supports and Services

Next Stage Grants provides a combination of funding and tailored supports to meet the unique capacity building needs of each grantee. Grantees received capacity building grants as well as a structured organizational assessments, technical assistance, and customized coaching to build their organizational muscle in critical capacity areas.



Broad core capacity areas included: (1) executive and board leadership; (2) management of human and financial resources; (3) technical capacities such as communications and program delivery; and (4) adaptive capacity including organizational and programmatic learning. In addition to the core capacities outlined above, grantees also had the opportunity to reflect on critical aspects of their organizational culture.



Financial Support: Participating organizations were eligible to receive up to \$250,000 over a two to three-year period. Grants were designed to be flexible and could be used to support staff time and materials to advance capacity building goals. They could also be used to hire technical consultants or to invest in infrastructure.



Organizational Self-Assessments:

Organizational assessment tools provide a structured way to help organizations take stock of their strengths, opportunities for improvement, and overall effectiveness in a range of critical areas. They can also be a powerful way to engage staff and board members, frame strategic planning efforts, track organizational growth and development, and fuel organizational learning. As part of the *Next Stage* pilot, each organization participated in a confidential self-assessment using the Core Capacity Assessment Tool (CCAT) developed by the TCC Group.⁵ Approximately 4-6 individuals of each organization – including senior staff and a few board members - individually completed the assessment, providing different perspectives on the core capacity domains. The coach shared the results with each organization, facilitating a discussion with organizational teams about the findings and implications.



Capacity Building Plans: The capacity building plan is a way to help ensure that assessment results get translated into action.

The plan was intended to serve as a roadmap for each organization to clarify their goals, objectives, strategies and milestones for improving their organizational effectiveness over time. Grantees used a planning template provided by The Foundation and the coach provided guidance to help ensure the plans were relevant, meaningful, and realistic. These plans were not intended to be long or exhaustive but rather a clear and actionable plan to advance their goals.



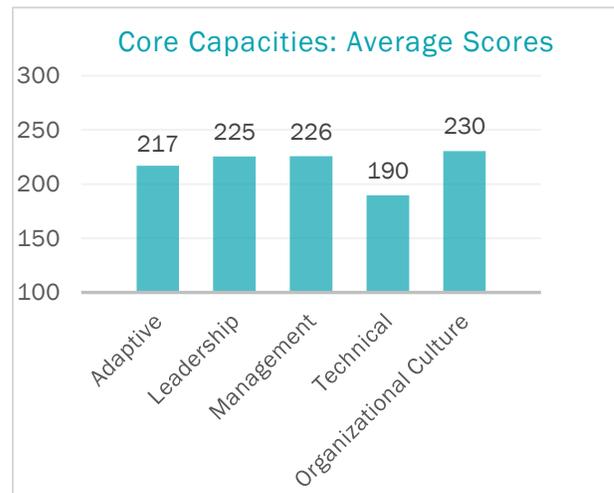
Coaching and Technical Support:

The Foundation enlisted an external coach to support the overall implementation of the *Next Stage* pilot. The role of the coach was to support each grantee as they assessed and prioritized their core capacity needs and goals, implement capacity building efforts, and engage in the iterative process of

learning and building their organizational effectiveness. In addition to general coaching support, several grantees also contracted specialized technical consultants in the areas of fundraising, metrics and performance management, and communications.

Next Stage Grantee Snapshot

The *Next Stage Grants* pilot identified former *Cutting Edge Grant* recipients seeking to deepen their impact and take their organization to the next level. Organizations varied broadly in size with annual operating budgets ranging from under half a million to just over \$5 million. They also varied in purpose and mission, addressing a variety of social sector issues including children and adults with special needs, early childhood development, community-building, and the promotion of arts as a vehicle for peace. Not surprisingly, each grantee was in a different phase of their organizational lifecycle, but all were unified by their focus on serving and contributing to a thriving Jewish community.



Initially, all four grantees identified fund development, financial management, and/or external communications as their core capacity building priority. One also sought to strengthen its program delivery, infrastructure, and systems to better position the organization for growth. Because the CCAT is widely used by thousands of nonprofits across the country, average scores can be compared with similar organizations. CCAT scores over 230 reflect

⁵ <http://www.tcccat.com/>

organizations that believe they have a high level of capacity, 190 to 230 reflects a satisfactory level of capacity, and less than 190 is an area the organization feels it needs to strengthen. Aggregate results from the CCAT assessment revealed that grantees, as a whole, felt they had a higher level of capacity in the areas of organizational culture, leadership and management, but had more room for growth in technical and adaptive capacities. While grantees found the assessment to be laborious, the discussion of the results helped to bring greater clarity about other capacity areas that also warranted attention.

Progress and Gains

The *Next Stage* pilot was designed to support more efficient, effective, and resilient nonprofit organizations, through providing structure and the financial support to identify and prioritize specific capacity building goals. This section includes a snapshot of each grantee organization, taking a deeper look at the ways grantees worked to advance their goals, organized around TCC Group's core capacity areas and the Core Capacity Assessment Tool (CCAT), and guided by the following learning questions:

- How are grantees using the financial and technical support to prioritize and advance their organizational capacity and effectiveness?
- In what ways has the *Next Stage* opportunity helped to strengthen their capacity? What have been their most notable achievements?
- What have been the challenges or barriers to progress?

Leadership Capacity



Leadership capacity focuses on the ability of all organizational leaders to create and sustain the organization's vision while inspiring, prioritizing, and making strategic decisions to advance the organization's mission. This capacity area includes board leadership as well as the ability of internal leaders to apply a mission-centered and inclusive approach that inspires and motivates people

to act. Cultivating emerging leaders at multiple levels and planning for transitions in leadership is another key capacity explored by most of the *Next Stage* grantees. Here are several specific examples of how *Next Stage Grant* recipients have made progress and are strengthening their leadership capacity.

- **Board development:** One organization sought to re-invigorate and more fully leverage their board of directors by assessing board composition, roles, and expectations as well as recruiting new board members. As a result of these efforts, they expanded their board by four additional members and engaged members in hosting fundraising and public relations events.
- **Navigating leadership transitions:** More than one organization experienced executive leadership transitions during the grant period. While transitions in leadership are always challenging, a grantee seized the opportunity to implement a thoughtful and well-planned process that engaged the board, staff, and community members in meaningful ways. With support from an outside search consultant and a dedicated search committee, they identified several strong candidates. Reflecting back on the experience, organizational leaders noted the transition process was one of their biggest accomplishments. The thoughtful engagement of various stakeholders helped the organization navigate a critical transition in leadership and paved the way for a smooth onboarding of a new executive director.
- **Developing next generation leaders and succession plans:** While not anticipating an immediate change in leadership, another organization has been intentional about cultivating emerging leaders within the organization and building out a more robust executive team. Planning for leadership transitions well in advance is not very common in the nonprofit sector but a thoughtful planning process can help organizations mitigate bumpy transitions that impact their ability to effectively advance their mission. This grantee has had the foresight to focus on building their current human capital and identifying gaps in leadership to ensure they are well positioned to

navigate transitions, scale their impact, and serve more clients.

Management



Management capacity encompasses an organization's ability to ensure the effective and efficient use of organizational resources.

This domain includes both financial and human resource management such as assessing staff performance, managing and developing staff, engaging staff in problem-solving, and providing staff with the tools and systems to carry out their work. It also includes an organization's ability to effectively engage and manage volunteers. Overall, grantees had the highest scores in this domain.

- **Strengthening volunteer management:** For one grantee, volunteer service is a cornerstone of their organizational mission and they prioritized efforts to revamp their system for recruiting and tracking their volunteers by moving from paper applications to an online platform. This created tremendous efficiencies and allowed the organization to rapidly match volunteers with opportunities. During the first year, they saw a substantial increase in the number of active volunteers and a jump in volunteer attendance at their workshops and development events. They set up an online system to better track volunteer follow-up and retention and also established a strong board for teen volunteers. In 2018, the organization engaged over 585 volunteers, the largest number of volunteers they have ever engaged in a one-year period.
- **Assessing staff roles, responsibilities and expectations:** Many grantees assessed current roles and responsibilities of key positions, identifying gaps and opportunities to streamline. One organization was able to shift tasks to a new full-time executive assistant to free-up senior leaders to use their time more strategically. Another assessed whether the organization had the "right people in the right seats."⁶ With help from an external consultant, they were able to analyze staffing needs and functions with an eye for building out a team to support future growth. Based on recommendations, they reorganized

operations and revised the responsibilities and expectations for key positions.

- **Streamlining operational systems:** While still a work in progress for some, several organizations explored ways to streamline operational systems to

Grantee Profiles

Creative Community for Peace

Founded in 2011, Creative Community for Peace (CCFP) is the only organization focused exclusively on countering the cultural boycott of Israel. The organization is comprised of prominent members of the entertainment industry who are devoted to promoting the arts as a means to peace. Using the unique behind-the-scenes relationships of its advisory board, it has been able to educate key industry insiders and build relationships with high-level management who have served as prominent ambassadors to their clients and circle of friends. Hundreds of artists who have scheduled performances or tours in Israel have received support from CCFP to counter pressure from boycott groups.

ETTA

Founded in 1993, ETTA offers a full spectrum of services for Jewish adults with intellectual and developmental disabilities, including residential housing, case management, employment training and placement, educational services, and social services. In 2012, ETTA shifted to a vendor-government services model to offer more sustainable and scalable services. During this same time, ETTA merged with OHEL Children's Home and Family Services, a large social service agency that provides mental health care, foster care and services to those with developmental disabilities. ETTA has expanded its residential services and supports clients through its group homes and independent and supportive living services. ETTA is a founding member of the Jewish Federation's HaMercaz for children with special needs and Los Angeles Jewish Abilities Center for Jewish adults with special needs.

⁶ In his book *Good to Great*, Jim Collins introduces the concept of "getting the right people on the bus and in the right seats."

https://www.jimcollins.com/article_topics/articles/first-who.html

improve efficiencies. For example, one organization expanded their existing relationship with their payroll company to ensure their timekeeping platform connected directly to payroll processing. They also hired payroll supervisor to ensure all systems are functioning effectively.

Technical Capacities



Technical capacities focus on the ability of an organization to implement key organizational and programmatic functions such as financial management, fundraising, marketing, outreach, program evaluation, service delivery, technology, and facilities management. The aggregate results of the organizational assessment indicated that this was the area with the most opportunity for growth. At the beginning of the *Next Stage* pilot, most grantees were struggling with a patchwork of antiquated systems that they had outgrown or that were not meeting their needs. Nearly all grantees identified specific priorities in this area. Here are several examples of both goals and gains that grantees experienced during the two-year period.

- **Strengthening financial management capacity:** Three grantees sought to strengthen fiscal management and monitoring in a variety of ways. One organization is streamlining bookkeeping in ways that will allow them to efficiently generate useful financial reports and budgets. Another has engaged the board's finance committee to ensure their policies evolve as the organization grows. While this is an ongoing area of work, all grantees are working to take their financial management to the next level.
- **Revamping marketing and communications:** One organization focused on revamping marketing materials to make a stronger case for giving and created a strategic communications calendar to streamline and coordinate external messaging. They identified two critical needs surrounding digital engagement and relationship management and began exploring an online suite of digital tools to better engage various constituencies. They are also exploring a new database which will allow them to comprehensively track relationships and

engagement efforts.

- **Strengthening the effectiveness and efficiency of outreach strategies:** One grantee has been working to streamline and professionalize their email outreach as well as their presence on social media platforms. They designated personnel for live social media coverage at all events, created new

Grantee Profiles

Friendship Circle of Los Angeles

Founded in 2002, Friendship Circle provides Jewish children and young adults with special needs with a full range of social, recreational, educational and Judaic experiences. It has touched the lives of over 300 children who have special needs and their families. Of the more than 2,000 volunteers who have worked with the organization, a growing number have chosen careers in special education, occupational therapy, speech therapy, and psychology in part as a result of their work with Friendship Circle. It currently manages 24 programs for children and their families and engages nearly 500 volunteers annually. Programs include Sunday Hebrew School, weekly playdates, afterschool Torah circle, holiday programs, social and recreational programs, and programs for parents.

Silverlake Independent Jewish Community Center

Founded in 1951, Silverlake Independent Jewish Community Center (SIJCC) is a family education center and community gathering space based on Jewish values and traditions. It hosts an Early Childhood Center, a Jewish Learning Center, and community-led classes, events, workshops and programs including East Side Jews and Culture Lab. SIJCC has continued to grow and expand transforming itself from primarily an Early Childhood Center to a communal space for the growing Jewish community living on the east side of Los Angeles. In recent years, SIJCC has seen a substantial increase in participation in classes, workshops and events and it opened a Cultural Wing in the fall of 2016. Its goal is to be a true center for arts, culture and Jewish life on the east side of Los Angeles. It envisions curating a unique and dynamic cultural series in its space and offering engaging programs for the whole community.

email groups for more targeted marketing, and have improved how they track all of these activities so they can continuously improve their efforts.

- **Improving facilities and workspace:** Two organizations struggled with inadequate or ill-equipped space. One organization lacked sufficient desk and storage space to accommodate their growing staff and volunteers. Grant funds helped them reconfigure their existing space to accommodate more desks, create a dedicated workspace for each staff member, and provide additional storage, furniture, phones and computers to ensure everyone had the necessary tools and accommodations to carry out their work. The executive director observed, “Due to all these improvements, the office is a much more organized and productive workplace. Staff members enjoy their privacy and space, and are able to execute their tasks in a more efficient manner.”

Adaptive Capacity



Adaptive capacity is the ability of a nonprofit organization to monitor, assess, respond to, and create internal and external changes.

This includes decision-making tools, organizational learning, and maintaining financial stability to weather and adapt to changing circumstances. While most grantees had a constant focus on financial sustainability, the concept of adaptive capacity was not fully on their radar prior to receiving a *Next Stage Grant*. While only one focused on strengthening their learning and evaluation practices, most grantees were reflective and focused on improving their decision-making tools and gathering feedback from key stakeholders to continuously improve their operations and programming.

- **Strengthening program delivery through learning and evaluation:** One grantee is working with their leadership team to determine the appropriate goals, inputs, outputs, outcome measures and indicators to arrive at logic models for each of their programs as well as the data collection processes to support each of those models. These logic models will be the basis for a set of online

organizational database dashboards that will help monitor program improvement and effectiveness. They also hired a database consultant who has been working to revamp their data collection and statistical tracking systems.

- **Taking stock and critical reflection:** In many ways, the *Next Stage Grants* have created space for executive leaders to take stock and reflect on the evolution of the organization and how to take it to the next level. Organizational leaders began to see the importance of this aptitude as they developed a greater appreciation for the complexity and dynamism of their organizational ambitions and operated in a rapidly changing external environment. Most demonstrated an aptitude to test and learn as well as an openness to explore new tools and approaches.

Organizational Culture



As management guru Peter Drucker once said, “culture eats strategy for breakfast,” asserting that a strong and empowering culture is critical to organizational success. The CCAT from the TCC Group defines organizational culture as the history, values and beliefs of an organization and the context in which the core capacities operate. The aggregate results from the CCAT assessment revealed three of the four organizations had satisfactory organizational cultures and one was challenged. Most grantees seized the opportunity to re-energize their teams as part of the grant. Given the under-resourced nature of most nonprofits, leaders often do not have the bandwidth to focus time and energy on culture building, but the assessment helped to shed more light on this critical but often overlooked ingredient for organizational success.

- **Re-energizing and unifying:** One organization reflected on the assessment findings and decided they could be more intentional in their efforts to re-energize and unify their team, especially as they grow and navigate change. They recognized that many employees did not see a path to career growth and their physical space was not conducive for staff interaction and engagement. Many multi-site agencies or organizations with remote staff often grapple

with how to unite people and encourage collaboration. This grantee began scheduling teambuilding lunches and mini-retreats for staff and immediately saw results. “Our principle transformation surrounds our re-energized and unified organizational culture,” they noted. “We made wonderful progress during the first six months of the grant.” They also explored ways to enhance the onboarding for new staff and to promote professional development opportunities. Another grantee also noted improved morale when they re-vamped and modernized their workspace to make it more functional and efficient.

Challenges

All grantees acknowledged a variety of barriers and unanticipated challenges that have slowed their pace or diverted their attention. Some of the most commonly cited challenges are highlighted below.

- **Time and resource constraints:** While grantees were given the option of a two or three-year period, all of them initially opted for a two-year grant. Three of the four ultimately realized their capacity building goals and objectives would take more time to implement and requested extensions. For executive leaders, the *Next Stage Grant* was viewed as a welcome opportunity to focus on building organizational muscle and process improvements, but the usual day-to-day demands and responsibilities still required their ongoing attention. Without other senior staff to delegate to, they often found themselves focused on other time-sensitive priorities and demands.
- **Staff recruitment and turnover:** Turnover in the nonprofit sector is nothing new but nonetheless disrupts the normal flow of operations and programming. In some cases, executive leaders view turnover as an opportunity to re-assess and recruit new skill sets to better meet the evolving organizational needs. Other organizations experienced longer than expected recruitment processes to fill key positions. At least one struggled to identify a technical consultant to help them advance one of their capacity priorities.

- **Navigating transitions and managing change:** All organizations found themselves navigating transitions and managing change. As mentioned previously, two organizations experienced transitions in executive leadership, and one moved to an entirely new location to better accommodate and unify its growing organizations. Organizational leaders also found themselves supporting their teams and constituents during tragic events and managing the ever-changing external landscape. All of these realities require the attention of organizational leaders and continuously test their capacity to be adaptive and resilient.

Most Frequently Requested Coaching Supports

Requests for coaching support included a broad range of topics and while often tied to the organization’s capacity building plan, requests included timely or emergent topics. The most frequent topics are listed below.

- Talent and human resource management
- Board engagement and governance
- Navigating change and transitions
- Succession planning
- Financial reporting and budgets
- Organizational culture and team building strategies

“With a lot of effort and diligence our primary objectives were accomplished. Realistically speaking, the Next Stage Grants is more of a 2.5 to 3-year endeavor and needs more time to develop. We definitely plan on addressing the unmet objectives in the coming year with some modifications.”

Next Stage Grantee

Concluding Remarks and Considerations

There is a growing body of research and evidence that demonstrates the value of investing time and resources in nonprofit capacity building. While this is a relatively new funding area for the Jewish Community Foundation of Los Angeles, their *Next Stage Grants* thoughtfully incorporates best practices from the field and an intentional focus on testing, learning, and building trusting relationships with grantees. As the pilot completes its second year, the following three suggestions for future funding cycles emerged:

- **Readiness criteria:** There are many worthy organizations that will likely apply for *Next Stage Grants*, but not all are ready to fully benefit from a capacity building program. Organizations should have stable leadership in place to ensure there is sufficient structure and leadership to champion this work and effectively transfer knowledge.
- **Consultant services:** Grantees often struggled to identify and engage technical consultants that met their needs. The Foundation might consider developing a vetted list of content experts and additional supports to help grantees become better consumers of consulting services. This might include guidance around what kinds of questions to ask, how to determine fit and how to structure contracts.
- **Peer learning opportunities:** *Next Stage* grantees were convened twice. One executive leader (and others concurred) that they appreciated the opportunity to get to know the other *Next Stage* executive leaders. Specifically, this leader suggested they would be “super interested in a community of practice,” particularly to learn from each other, strengthen connections across the sector, and go deep on specific topics and challenges they face. Such areas included board development, succession planning, developing leadership teams, talent management, and change management.



“It would be useful to establish a cohort of executive directors and senior staff to share best practices and work through the challenges organizations may be facing.”

Next Stage Grantee

Sources

¹ Grantmakers for Effective Organizations (2014). What is Nonprofit Capacity and Why Does it Matter? <https://www.geofunders.org/resources/what-is-nonprofit-capacity-and-why-does-it-matter-675>

² Leadership Pipeline Initiative: Cultivating the Next Generation of Leaders for Jewish Nonprofits (2014). The Bridgespan Group <https://www.bridgespan.org/insights/library/leadership-development/building-a-field-specific-leadership-pipeline>

³ The TCC Group <http://www.tcccat.com/>