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What is Capacity Building?

Capacity building is not just about the capacity of a nonprofit today: it's about the nonprofit's ability to deliver on its mission effectively now and in the future.

Capacity building is an investment in the effectiveness and future sustainability of a nonprofit.

Distinct capacity building projects, such as identifying a communications strategy, improving volunteer recruitment, ensuring thoughtful leadership succession, updating a nonprofit's technology, or improving how it measures its outcomes, all build the capacity of a charitable nonprofit to effectively fulfill its mission. When capacity building is successful, **it strengthens a nonprofit's ability to deliver on its mission over time, thereby enhancing the nonprofit's ability to have a positive impact on lives and communities.**

Capacity building is whatever is needed to bring a nonprofit to the next level of operational, programmatic, financial, or organizational maturity, so it may more effectively and efficiently advance its mission into the future.

--[A Network Approach to Capacity Building](#) (National Council of Nonprofits)

Why is capacity building important?

While often overlooked, capacity building develops the all-important “infrastructure” that supports and shapes charitable nonprofits into forces for good. Capacity building enables nonprofit organizations and their leaders to develop competencies and skills that can make them more effective and sustainable, thus increasing the potential for charitable nonprofits to enrich lives and solve society’s most intractable problems.

Practice Pointers

- There are many sources for capacity-building assistance. Consultants are one avenue. Web-based education, in-person training, peer-to-peer cohorts, communities of practice, and even pro bono skilled volunteers can offer your nonprofit and its board/staff excellent opportunities to build the capacity of the organization.
- Because the core focus of state associations of nonprofits is helping to build the capacity of other charitable nonprofits, joining your [state association of nonprofits](#) is one of the most effective ways to learn about the spectrum of local capacity-building opportunities and to join a community of practice. State associations often offer workshops and training opportunities for board and staff (both in-person and virtual), as well as the ability for nonprofit leaders to learn from peers, collaborate, and stay up to date with recommended practices and new trends.
- The Ford Foundation’s [Organizational Mapping Tool \(OMT\)](#) is an open-source organizational assessment tool designed to help nonprofits identify and prioritize their organizational strengthening or capacity-building needs. The tool is available at no charge, but the process is best done with one person who is not an employee or board member leading as a facilitator. (Note: the OMT is available in seven languages, and there is a version for coalitions, alliances, and networks.)
- Grounded in decades of experience and capacity-building research, TCC Group’s [Core Capacity Assessment Tool \(CCAT®\)](#) equips nonprofit leaders with a comprehensive understanding of their organizational operations, fosters alignment among leadership teams, and identifies pathways to create long-term sustainability. Statistically validated and completed by over 9,000

nonprofits, the CCAT evaluates effectiveness across four core capacities—leadership, adaptiveness, management, and technical skills— while also assessing organizational culture, recognizing that a strong and empowering culture is essential to success. Additionally, the CCAT determines the organization’s lifecycle stage, acknowledging that capacity needs evolve as organizations grow and conditions shift, which enables leaders to prioritize actions aligned with their current stage of development. The CCAT process is simple and user-friendly, allowing organizations to gather valuable insights quickly and efficiently with minimal disruption to their operations. [Learn more about how the CCAT works.](#)

- Conducting an organizational [self-assessment](#) is one way to learn which core capacity areas may require more attention.

Using networks to increase capacity

In our experience, nonprofits that are part of a network leverage resources and knowledge to build capacity more effectively than those that “go it alone.” Our publication, *A Network Approach to Capacity Building*, offers examples of how networks are especially effective for capacity building because they catalyze innovation, improve communications, reduce duplication of past mistakes, and spread good ideas faster and more efficiently than may typically occur in other capacity building approaches.

Download [A Network Approach to Capacity Building](#) (a report by Jennifer Chandler and Kristen Scott Kennedy).

To learn more about participating in a network of nonprofits near you, explore membership in your [state association of nonprofits](#).

Additional Resources

- [A guide to organizational capacity assessment tools](#) (William & Flora Hewlett Foundation)
- [Reimagining Capacity Building: Navigating Culture, Systems & Power](#) (GEO)
- Resource list of [publications on capacity building for nonprofits](#) (Candid)
- [Should We Cancel Capacity-Building?](#) (Marcus Littles, Nonprofit Quarterly)
- [Transformational Capacity Building](#) (Stanford Social Innovation Review)