

Innovation through Self-Assessment

How the Mount Washington Community Development Corporation improved operations by assessing organizational capacity and developing actionable plans to enhance their long-term sustainability

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Agenda

- MWCDC Capacity Assessment Case Study
 - Organizational history
 - Capacity assessment process
 - Findings and recommendations
 - Implementation and impact
- Q & A
- Hands-On Capacity Assessment Activity

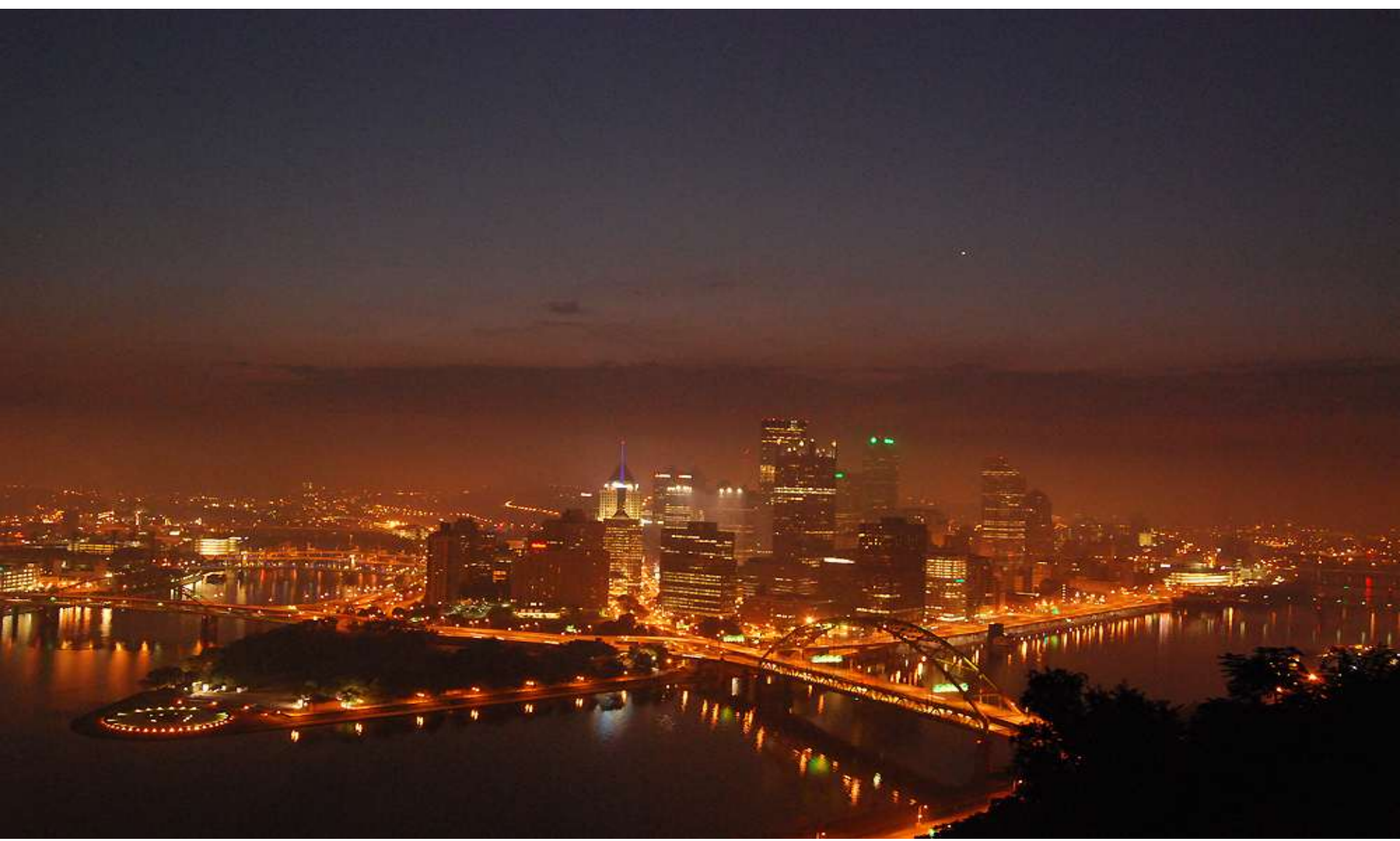


Community Background

- Formerly known as Coal Hill
- 12,500 residents (4th largest in the City)
- 6,668 households
- World renowned views of Pittsburgh skyline



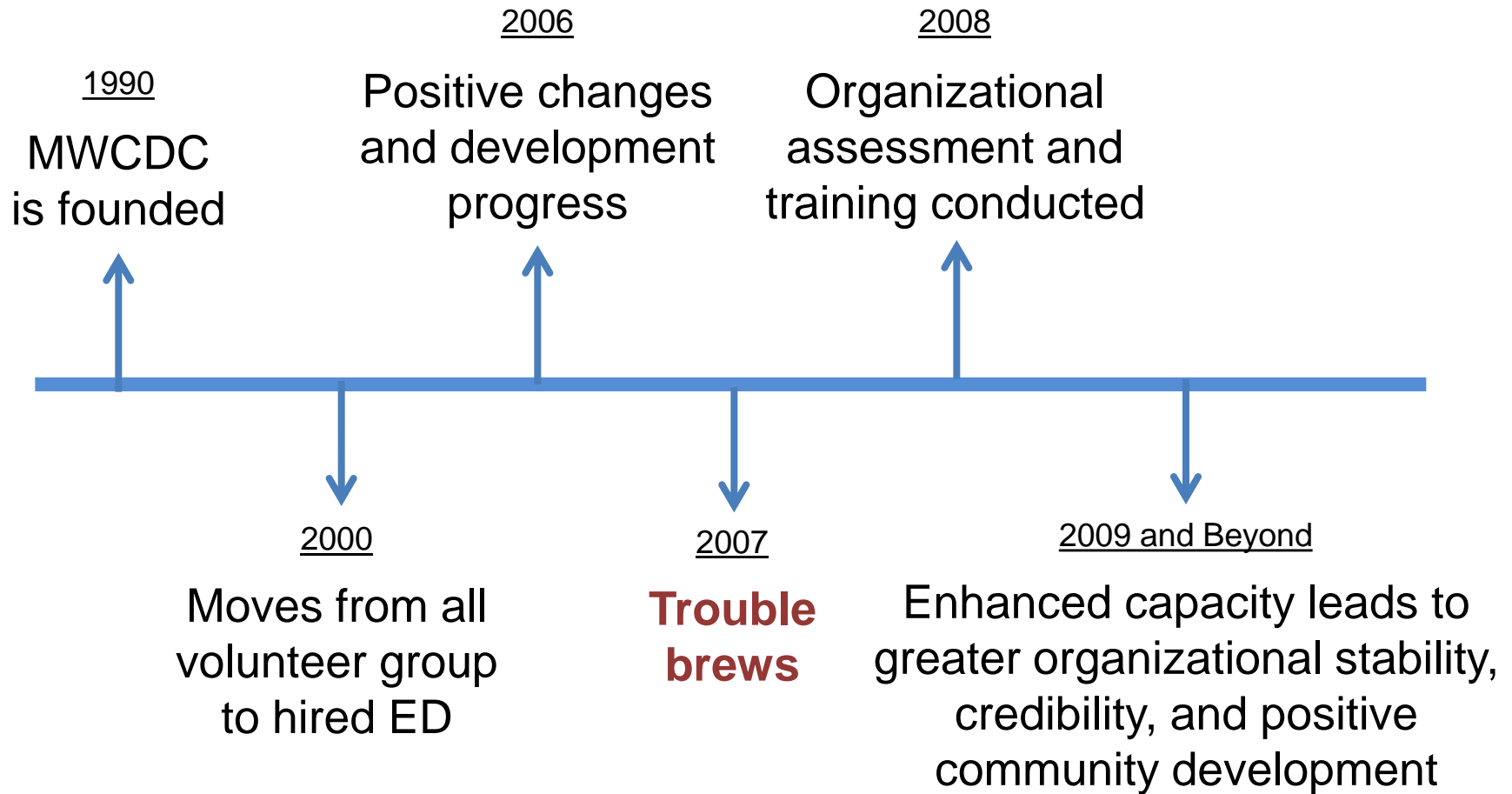
The View from Mount Washington



MWCDC Background

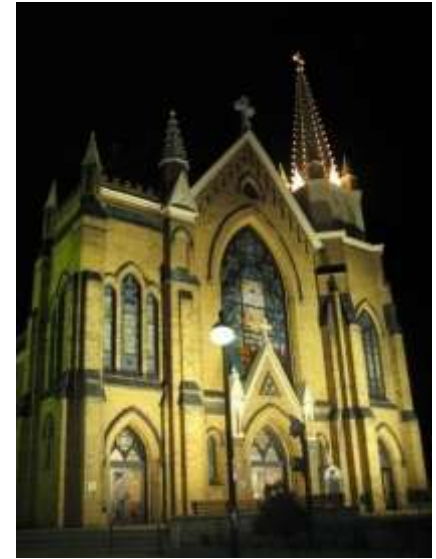
- 501(c)3 formed in 1990
- Serves the Mount Washington and Duquesne Heights neighborhoods
- Mission is to cultivate growth, development and community investment
- Vision is to make our neighborhood the number one neighborhood for residents, businesses and visitors in Pittsburgh
- 5 full-time and 3 part-time staff
- 15 Board Directors and 300 members

MWCDC Snapshot



MWCDC History

- 1990-2005
 - Mostly volunteer run
 - Hired first ED around 2000
 - Incremental successes
- 2005-06 saw positive changes
 - Main Street Program established
 - Emerald View Park created
 - Building capacity
 - \$1 million budget



MWCDC History

- 2007 – Bottom dropped out
 - Board factions
 - 100% senior staff turnover
 - Loss funder confidence
 - Program staff are distracted and unproductive
 - Fighting with developers
 - Loss of funding commitments

MWCDC History - Rebuilding

- New ED Hired on March 30, 2008
- Proposed idea of an organizational assessment in May 2008 to funders
- Acquired funding to complete assessment by July 2008
- Retained The Hill Group by October 1, 2008
- Completed the assessment by February 2009

Organizational Capacity

- Much attention and effort in recent years on “building organizational capacity”
- Increasing service burden on nonprofit sector makes “capacity” even more important
- A high-capacity organization is able to leverage its infrastructure (people, processes, knowledge, and resources) to effectively and efficiently achieve mission
- A high-capacity organization can enable innovation

Organizational Capacity

- An outdated approach in nonprofit management assumes that program delivery at the lowest cost leads to the greatest social impact.

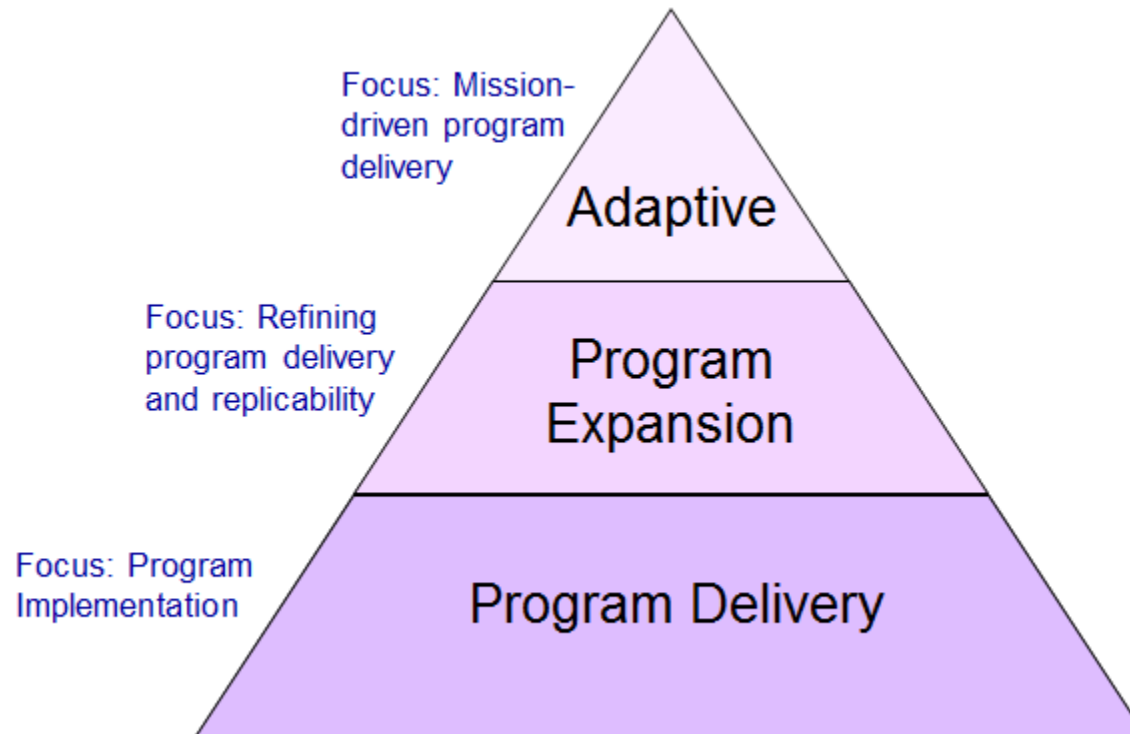
Program delivery @ lowest cost → social impact

- A better approach lets mission and vision drive development of organizational capacity which leads to innovative program and sustainable social impact.

Mission → Vision → Capacity → Innovative Programs → Sustainable Social Impact

Organizational Capacity

There are varying types and levels of organizational capacity.



Grossman, A., Letts, C., and Ryan, W. (1999). *High Performance Nonprofit Organizations: Managing Upstream for Greater Impact*. John Wiley & Sons: New York, NY.

Organizational Capacity

There are many elements or dimensions of organizational capacity and several tools for assessing capacity.

McKinsey & Company and Venture Philanthropy Partners Capacity Assessment Grid

1. Planning Infrastructure
2. Design and Evaluation
3. Human Resources
4. Executive Director Leadership
5. Information Technology
6. Financial Management
7. Fund Development
8. Board Governance
9. Legal Affairs
10. Marketing and Communications

PANO Standards for Excellence Program (Standards for Excellence Institute)

1. Mission and Program
2. Governing Board
3. Conflict of Interest
4. Human Resources
5. Financial and Legal
6. Openness
7. Fundraising
8. Public Affairs and Public Policy

Assessing Capacity with MWCDC

Evidence-based evaluation using 7 out of 10 dimensions of the McKinsey Capacity Assessment Grid

- Data/document reviews
- Interviews with internal and external stakeholders
- On-site observations
- Community Survey

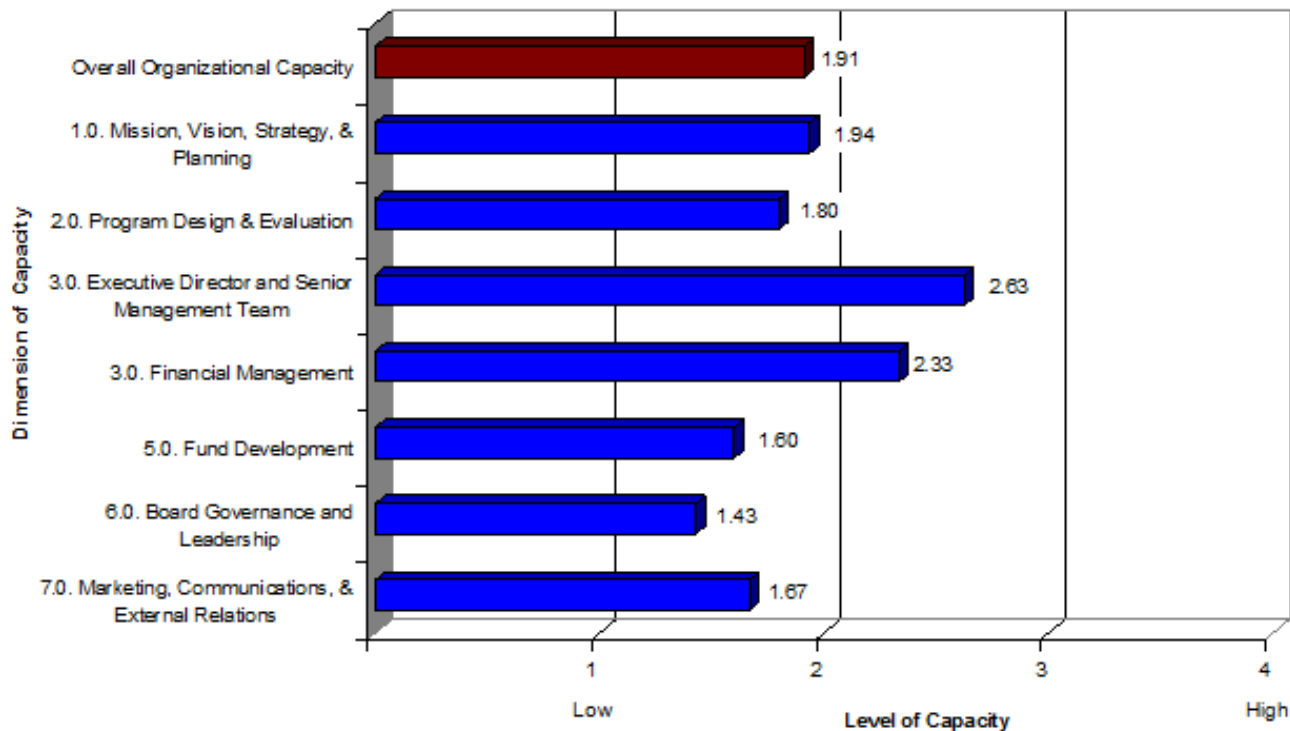


Level of Capacity	Interpretation
Level 1	Clear need for increased capacity
Level 2	Basic level of capacity in place
Level 3	Moderate level of capacity in place
Level 4	High level of capacity in place

MWCDC Capacity Findings

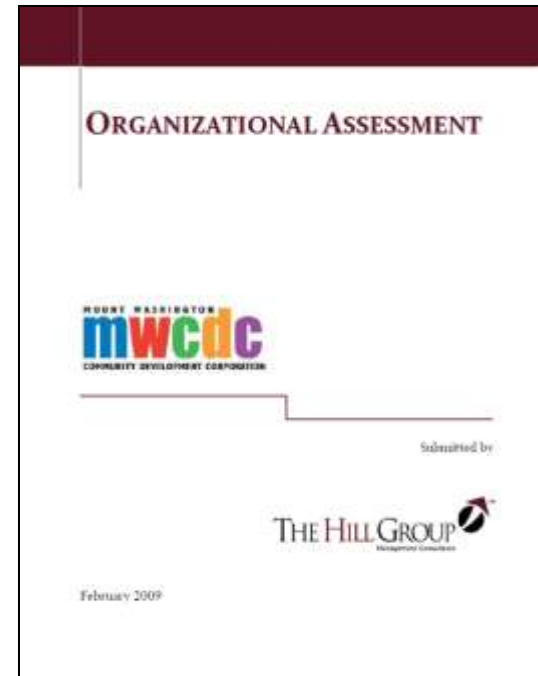
- Overall capacity rating of 1.91, indicating a “basic” level
- Several capacity deficiencies identified through 65 findings

Figure 1: Overall Capacity Chart for MWCDC



MWCDC Capacity Recommendations

- In the final report, we commented on the three highest priorities for MWCDC:
 1. Revising the organizational structure and governance systems
 2. Identifying explicit linkages between all programs or services and mission, vision, and long-term goals
 3. Creating a fund development infrastructure that appropriately leverages resources
- 62 total recommendations for improvement of capacity
- Appendix of sample policies, procedures, and templates



Implementing Change

- Addressed “low-hanging fruit” within a month
 - Policies
 - Privacy and advocacy statements
- Started transition for larger changes
 - Nominations and elections process
 - Board terms
 - Bylaw changes

Implementing Change

- Implemented 14 recommendations in first 4 months
- 4 more by the end of 2009
- Long-term key discussion points
 - Nominations process
 - Elections process
 - Bylaw changes



Implementing Change

- Began training sessions with Michael Kumer in June 2009
 - What Do Great Boards Do? – *June 2009*
 - Fiscal Responsibilities, Oversight & Accountability for Non-Profit Boards – *August 2009*
 - What Should Boards Know About Strategic Thinking – *October 2009*



A Hybrid Approach to Board Governance

- **Not solely appointed or free-for-all Board**
 1. Board criteria of needs (job description)
 2. Nominating Committee (search committee)
 3. Candidates inform of their interest
 4. Interviews
 5. Committee recommends candidates to Board
 6. Board places qualified candidates on ballot
 7. Membership votes for candidates on ballot

Continuing Work

- Implemented 54 of 62 recommendations
- Fund Development Plan
- Bylaw Changes
- Rebranding/Marketing
- Board and Volunteer Diversity
- Strategic Planning Process



Results and Impact Since 2009

Basic or low
capacity



High or adaptive
capacity

2007 – Bottom dropped out

- Board factions
- 100% senior staff turnover
- Loss funder confidence
- Program staff are distracted and unproductive
- Fighting with developers
- Loss of funding commitments

2009 and Beyond

- No unplanned staff turnover
- 100% functional Board with great background and skills diversity
- Regained funder confidence
- Org. budget increase of 97%
- \$920,000 revenues in 2010, \$1 million budget for 2011
- Six major development projects completed or underway
- Staff is focused and delivering program results

Questions?



Hands-On Capacity Activity

