



# Memo

**To:** Effective Philanthropy Group & Grants Management, William and Flora Hewlett Foundation

**From:** Informing Change

**Date:** October 2, 2017

**Subject:** Organizational Capacity Assessment Tools Landscape Scan

---

## INTRODUCTION

Over the past year, the William and Flora Hewlett Foundation's Effective Philanthropy Group (EPG) partnered with Informing Change to better understand the landscape of existing (publicly available) Organizational Capacity Assessment tools,<sup>i</sup> and to outline best practices for using these tools in various contexts. We found a wide array of available tools that can play various roles to support or launch the larger undertaking of organizational capacity development.

In this memo we discuss the project methodology, share findings, and introduce the [database of organizational assessment tools](#) we assembled over the course of this project.

## METHODOLOGY

The findings in this memo are drawn from a landscape scan of organizational assessment tools, user experience interviews, and Informing Change's study of the tools in the database, as well as our own consulting experience supporting capacity development for a range of nonprofit clients.

### Landscape research

To understand the landscape of existing organizational assessment tools, Informing Change explored resources previously gathered by Hewlett Foundation staff, reviewed existing websites and literature on organizational assessment tools, and conducted interviews with a set of experienced nonprofit consultants to inquire about new and other tools.

This broad search yielded a total of 91 tools—48 multi-area assessment tools and 43 checklists and resource guides. We assembled a database of these tools to organize a wide range of information about each, including information about the tool's background and creator, capacity areas assessed, and other descriptive information. Throughout our search we found a number of tools that assess a single capacity area (e.g. Board, Financial Management, Leadership, Fundraising), but research on these tools was out of scope for this project.

## User experience interviews

Informing Change also sought to gain a deeper understanding of the experiences people have when they are selecting and actually using organizational assessment tools, to better understand the contexts in which a tool might be more or less useful. To accomplish this goal, we conducted interviews with a total of 27 relevant funders, leaders of nonprofit organizations, and consultants.

### SUMMARY OF FINDINGS FROM THIS MEMO\*

---

#### Purpose

- The key functions of an organizational assessment tool are to
  - Provide a framework that facilitates individual reflections about an organization's trajectory
  - Help stakeholders identify shared concerns and priority actions
- A tool provides common language to discuss difficult organizational issues and focuses the conversation on the questions within a tool rather than opinions of specific individuals.

#### Using the tools successfully

- The process in which a tool is used is more important than the tool itself.
- Tools work best in a process facilitated by a skilled consultant.
- Funders tend to believe it is better to ask a nonprofit to share a summary of its organizational assessment findings with them rather than ask to see the actual results from the tool.
- Funders do not frequently use organizational assessment tools to assess grantee progress over time. Only a few funders report good experiences using a tool for this purpose, and these experiences were all facilitated processes with a small group (e.g., a learning community) using an adapted or custom-designed tool.
- An organizational assessment tool, when used within a nonprofit learning community, can be used successfully to monitor progress to organizational capacity benchmarks.
- Program officers may not feel knowledgeable enough about nonprofit organizational capacity and effectiveness to confidently participate in conversations about organizational assessment; these individuals would welcome some training or help from a more knowledgeable colleague within their foundation.

#### Tool variations

- The tools that are most highly regarded by funders, consultants, and nonprofits are ones that were adapted or custom-designed for the particular organization and its context and needs.
- Rubrics in tools help users understand what "doing better" could look like.

## WHAT DOES A SUCCESSFUL ORGANIZATIONAL ASSESSMENT EXPERIENCE LOOK LIKE?

A successful experience relies on the following elements.

- **Shared interest in learning:** A team involved in the assessment process who are knowledgeable about the organizational issues to be discussed, bear responsibility for successful functioning and results in

these issue areas, are motivated to participate, and have the individual capacity to fully participate (i.e., time, resources, openness)

- **Defined time frame:** A clearly described, time-limited process
- **Accountability for undertaking change:** Team agreement on expectations for identifying and implementing some degree of organizational change, and a clear decision-making process for this
- **Manager:** Someone responsible for managing the process and timeline—ensuring that participants do what they need to do within the agreed-upon time frame
- **Individual reflection:** Time for individual reflection by each team member on the organization's strengths, weaknesses, opportunities, and threats
- **Collective meaning-making:** One or more blocks of time for the team to discuss and jointly make meaning of the collected reflections about the organization
- **Decisions that lead to action:** Leadership for implementing changes within a defined time period; allocation of resources needed to make the desired changes (e.g., staff, budget, consultant help)

## CROSS-CUTTING LEARNINGS

There is a broad array of tools for nonprofits to use to support or launch the larger undertaking of organizational capacity development. In exploring the tools and how they are used, we unearthed the following overarching learnings.

### Adaptation is the norm

Many different tools are available. The volume and diversity of tools exist because people want a tool that feels matched to specific circumstances; they create their own tool or tailor an existing one to reflect their particular needs.

Although a plethora of tools is available, most of our informants are familiar with only a very short list. The Core Capacity Assessment Tool (CCAT) and Organizational Capacity Assessment Tool (OCAT), developed by TCC Group and McKinsey, respectively, are widely known, even if people have not used them. The iCAT, a new online tool produced by consulting firm Algorhythm, is also becoming more widely known. Other specific tools that were named by informants are the Marguerite Casey Foundation adaptation of the McKinsey OCAT, Social Venture Partners' Organizational Capacity Assessment Tool, and a United Way tool for renewing grantees. However, **the tools that were most highly regarded by funders, consultants, and nonprofits are ones that were adapted or custom-designed to the particular organization and its situation.** This adaptation helps to ensure that people completing the tool understand the questions and that the questions fit well with the organization's purpose for doing the assessment.

### The process is more important than the tool

Those experienced with using tools agree: **the actual tool used for assessing organizational capacity is far less important than the process** in which it is used.

An organizational assessment tool provides funders and nonprofits with a framework to prompt organized thinking about an organization's trajectory, first by individuals as they work their way through the questions and then in shared or collective discussions. Use of a tool will identify common concerns shared by stakeholders as well as diverging opinions. A tool has merit if it supports an efficient process for understanding an organization's strengths and weaknesses, and identifies capacity areas needing attention.

### Skilled facilitation maximizes process management & learning

Funders and consultants say that tools work best when the process is facilitated by a skilled consultant. Their reasons include the following:

- A consultant can build the relationships among those who need to share and make decisions, can listen to challenges and adjust the process accordingly, and can support tool use appropriately.
- Good consultants are familiar with many tools and can select from among this variety—or extract parts of different tools—to find the “right” tool for the nonprofit’s situation.
- Consultants frequently adapt or custom design a tool to align the language and style with the organizational culture or to reflect current circumstances (e.g., strategy changes, organizations merging). Nonprofit leaders say these changes facilitate accurate input from board and staff.
- In a neutral, nonjudgmental way, consultants can help less knowledgeable board members and staff to understand the capacity areas and questions in the tool, which improves the likelihood of accurate assessments.
- When the aggregate results from a tool show diverging perspectives, external consultants are able to facilitate difficult conversations.
- Consultants help busy staff or overwhelmed board volunteers transition from assessment discussion and decision-making to planning and implementing needed changes.

Nonprofits say they have used tools without engaging a consultant, but they agree that **someone needs to be designated to lead and facilitate the process in which the tool’s findings are used**. One nonprofit representative described how board members and staff managers took the iCAT and then passed the findings to the strategic planning consultant, with successful results. Another organization used a tool produced by its national organization, and the Executive Director facilitated a useful reflection session about the results. In a third nonprofit, staff in local chapters administered a tool, and then a facilitator from the parent organization came to the sites to lead valuable in-person discussions of the results and to help develop implementation plans for the identified changes.

Nonprofit leaders also say they successfully advanced organizational capacity without using a tool. In these cases, the nonprofit was working with a consultant who facilitated the same kind of process and discussions but without using a tool.

### Use the right tool for the job

Organizational assessment tools differ greatly. Those that are best known are not always the most appropriate for all situations. Some tools may contain greater detail and depth than is necessary. For example, organizations with fewer internal divisions or fewer staff may need fewer specific questions to prompt useful reflections for identifying weak spots.

**Right sizing includes choosing one tool over another, or selecting sections or extracting pieces of longer tools.** Consultants say they sometimes select or adapt one or two sections from an existing tool when working with a group that wants to examine only one or two specific capacity areas (e.g., fundraising, marketing, and finances only). Informants also note that it is important that the people using a tool understand the concepts described in the questions and feel that the wording of questions is apropos to the features and culture of their organization—that is, not something just copied from an outside setting or developed by “someone who doesn’t understand our organization.” This is one reason people have created so many tools and variations of tools.

Including language and terminology that is familiar to the users increases the accuracy of an assessment. However, even the best-matched language will not compensate for gaps in knowledge about the organization. Several nonprofit representatives we interviewed acknowledged that some individual staff and board members will give inaccurate assessments when they respond to a tool’s questions, due to lack of knowledge or experience

(e.g., financial management, personnel, external partners). It is usually difficult to completely prevent this from happening (e.g., difficult to invite most but not all board members).

The tools we examined varied in format, number of questions, assessment statement types, capacity areas covered, and ranking or scoring options. That said, **throughout the scan and interviews, a short list of tools was commonly referenced**. However, be aware that these references were not always a recommendation from a knowledgeable user; at times, they were more of a reflection of the tool's visibility and marketing. We found the following tools to be the most frequently referenced:

- McKinsey & Company – Organizational Capacity Assessment Tool (OCAT)
- Marguerite Casey Foundation – Organizational Capacity Assessment Tool\*
- TCC Group – Core Capacity Assessment Tool (CCAT)
- Social Venture Partners – Organizational Capacity Assessment Tool\*
- PACT – Organizational Capacity Assessment
- Venture Philanthropy Partners – McKinsey Capacity Assessment Grid\*

Of these six tools, three (identified with an asterisk [\*] above) are based on the McKinsey OCAT tool, with slight variations on question organization, wording of some rubric cells, and method of access (i.e., via a printed rubric, Excel spreadsheet, or online portal).

## SELECTING A TOOL

Choosing the right organizational assessment tool depends on understanding the organization's context and then selecting a tool to match. A good match of tool with organization can make the difference between just eliciting information about the organization and actually using it as a lever for change.

For example, the leader of a nonprofit that who used a well-known comprehensive tool shared that staff and board members were frustrated by the time it took to understand and answer the questions, which then seemed to reduce group energy to discuss the aggregate results. This organization's leaders felt the tool had not helped them spark any real organizational change. Another organization chose a tool with a short list of questions that could be completed within an hour, due to the wide array of stakeholders involved in its assessment. A third organization prioritized finding a tool with questions that front line staff as well as managers could answer and discuss, whereas a fourth organization opted for a research-based tool thinking it would secure greater board buy-in.

Matching these needs and contextual factors with the different tools takes some intentional planning.

- **Clarify the purpose of the assessment:** Is it to identify gaps that need to be addressed before funding will be offered or before a partnership can become formal? To create shared understanding among board and staff? To prompt new thinking about programming or financial management or communications? To understand how well an organization is meeting expectations of its stakeholders? Each of these purposes can prompt the use of an organizational assessment tool.
- **Think about key organizational characteristics that affect learning:** Organizational features and context will affect how easy or difficult it will be to conduct an organizational assessment and turn its findings into action. These features need to be considered in designing an appropriate process, irrespective of which tool is used:
  - **Staff size:** How many staff will be involved? How many hours are reasonable to commit to this process?

- **Budget:** Organizations with large budgets and more staffing have more departments, more layers of authority, and more options about whom to involve in the assessments and the subsequent decisions and implementation planning.
  - **Organizational culture:** What values and other aspects of shared work within the organization will help or hinder an assessment process? How can the assessment capitalize on supportive factors and mitigate against those that could impede reflection and learning?
  - **Leadership:** Ideally there is a board-staff relationship where organizational strengths and gaps can be pursued and discussed. Is a strong partnership in place? Has there been a recent change in leadership?
  - **Capacity needs:** Does the organization want to look across a broad array of capacity areas? Are there particular areas of concern? Is there one area of deeper interest than others?
  - **Logistics:** Who will manage the assessment process? Will the organization have help from an external consultant? What level of staff and board participation is anticipated?
- **Understand the choices you can make in selecting an organizational assessment tool:** In addition to differences in the number and complexity of capacity areas to be assessed (described earlier), differences in the question format, type of responses, and how tools are administered can influence what is appropriate for different circumstances. These variations are described in the next section.

## Major variables in tools

**Organizational Assessment tools vary in the depth and specificity of their questions.** The language used in questions ranges from simple and straightforward to longer statements that clearly articulate what success looks like at a certain level. For example, many tools have questions about a nonprofit organization’s mission and vision, but use different language to reach different levels of depth, as seen in Exhibit 1.

Exhibit 1

**Tool questions on the same subject range from simple to complex.**

### Sample Questions and Statements About Mission and Vision<sup>ii</sup>

Do you have a clear mission statement?

Organization has a clear, concise mission statement that communicates its reason for existence

The organization has a clear, meaningful written mission statement which reflects its purpose, values and people served.

Our nonprofit has a clearly defined, written mission statement that guides the overall aims and activities of the organization.

*“Mission” on a 4-point rubric with a choice of statements to assess current capacity. Level 4 (highest level) language states: “Clear expression of organization’s reason for existence which describes an enduring reality that reflects its values and purpose; broadly held within organization and frequently referred to.”*

**A tool’s response type can influence what an organization chooses to do as a result of using the tool.** A sample of response types is detailed in Exhibit 2.

There are three primary response types:

- **Yes/No** questions ask about the presence or absence of certain practices or criteria. These questions can produce a list of items to add, enhance, or update. Framing a question in this way may suffice in some situations, such as due diligence for a first grant.
- Questions that use a **numeric or agreement scale** ask users to state their rating or level of agreement with a statement about the existence of a practice or criterion. Tools that use a rating or agreement scale allow for a quick summary of results, highlighting areas of strengths and weaknesses. They can also lead to a better understanding of a practice or criterion. Framing questions in this way helps the user do a more detailed gap analysis than Yes/No responses and also highlights relative strengths and weaknesses.
- **Rubrics** include specific language defining success at each level and sometimes incorporate a numeric scale. Using a tool with a rubric may result in leadership discussions about which capacity areas should be pushed to a level of excellence, and which can be allowed to continue as they are, even if only at an adequate level. These tools push users to think not just about the current practice or capacity but also about what “better” would look like. Questions framed in this way help support action planning, as success is defined at every level.

Exhibit 2

**Tools vary in types of responses and ratings.**

Response Types	Example Response Statements
Yes/No <sup>iii</sup>	<input type="radio"/> Yes <input type="radio"/> No
Numeric <sup>iv</sup> or Agreement Scale <sup>v</sup>	Rate: 1 2 3 4 5 (1 = low, 5 = high), or: <input type="radio"/> I disagree <input type="radio"/> I sometimes disagree <input type="radio"/> I don't know <input type="radio"/> I sometimes agree <input type="radio"/> I agree
Rubric <sup>vi</sup>	<ol style="list-style-type: none"> <li>1. No written mission or limited expression of the organization's reason for existence (lacks clarity or specificity); either held by very few in organization or rarely referenced</li> <li>2. Some expression of organization's reason for existence that reflects its values and purpose, but may lack clarity; held by some within organization and occasionally referenced</li> <li>3. Clear expression of organization's reason for existence which reflects its values and purpose; held by many within organization and often referenced</li> <li>4. Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose; broadly held within organization and frequently referred to</li> </ol>

Comparing the different framing of questions and responses illustrates different ways that tools can support nonprofit organizational development. An organization may choose a tool with Yes/No responses to quickly **build awareness of best practices** and **identify critical gaps**. A rating scale offers the appeal of quick and easy **summaries of areas of excellence and improvement**. A rubric will guide board and staff members interested in **meeting field-level standards** (Exhibit 3).

The types of questions and responses serve different purposes.



Awareness		Understanding		Assessment	
Sample Questions	Response Type	Sample Questions	Response Type	Sample Statement	Response Type
<ul style="list-style-type: none"> <li>Do you have a clear mission statement?</li> <li>Organization has a clear, concise mission statement that communicates its reason for existence.</li> </ul>	Yes/No	<ul style="list-style-type: none"> <li>The organization has a clear, meaningful written mission statement which reflects its purpose, values and people served.</li> <li>Our nonprofit has a clearly defined, written mission statement that guides the overall aims and activities of the organization.</li> </ul>	Agreement scale  Numeric rating	Clear expression of organization's reason for existence which describes an enduring reality that reflects its values and purpose; broadly held within organization and frequently referred to.	Rubric

### SPECIFIC SITUATIONS FOR USING TOOLS

In this section, we describe some ways organizational assessment tools are being used or can be used by funders, consultants, and nonprofits, along with the advice and caveats we collected in interviews about these situations.

#### Nonprofits assessing their own capacity

Nonprofits say that, in general, they take the initiative to use a tool for these reasons:

- They want to **scan all of their needs for development, and confirm, adjust, or create their plans for what to do next** (internal prompt).
- They have **an opportunity to receive in-kind technical assistance, to earn accreditation, or to join a program partnership or national affiliation**, which include an organizational assessment as part of their vetting process (external prompt).

The following are some questions for nonprofits to ask themselves before choosing an organizational assessment tool:

- What is the impetus for using a tool? What are we expecting as a result of the use of the tool?
- Who will use the results from the tool?
- How many people do we need or want to involve in the assessment process? How knowledgeable are they about the organization's current capacities?
- How much time and what resources can the organization dedicate to the assessment process? What level of resources will be available after the assessment to follow up and complete the action steps identified through the process?

- How much appetite does the board and staff leadership have for doing the assessment and discussing the results? Will board and staff participants have the energy to authentically engage in a long, complex assessment process? Or would a shorter process be a better match?
- Who will facilitate the process, including working through divergent opinions and making decisions around action steps?
- Do we want an external consultant to have a role in this process?

The process of using an organizational assessment tool can provide common language to discuss organizational capacity issues and focuses the conversation on the questions within a tool, rather than calling out specific individuals. However, it is important to be mindful of preexisting power dynamics that may discourage candid assessment contributions from other staff members, especially when the internal staff member tasked with facilitating the assessment process is already in a position of power (e.g., Executive Director/CEO or Vice President).

Specific tools that our nonprofit interviewees used and liked were these:

- Tools customized for their organization’s use or for a learning community
- Tools produced by parent organization (e.g., the national YMCA)
- McKinsey & Company – OCAT
- Algorhythm – iCAT

Some funders also expressed interest in the new tool developed by Leap of Reason, the Performance Imperative Organizational Self-Assessment (PIOSA), which nonprofit organizations are just beginning to use. This tool combines organizational capacity areas and performance assessment measures. At this time it is too early to know the tool’s utility and value to funders and nonprofits, but it will be an important tool to watch.

### Funders using organizational assessment tools with grantees

The funders we interviewed who had experience with organizational assessment tools say they have **successfully used tools to help grantees confirm, clarify, and prioritize next steps for capacity building**. Funders report successfully using tools for these purposes:

- Confirm hunches about issues they think a grantee is facing
- Clarify what a nonprofit described in a grant application
- Help nonprofits identify organizational effectiveness priorities
- Force a process to ensure all organizational leaders are on the same page and that board’s and staff’s thinking is aligned

When asked about the specific tools they used, several funders spoke highly of custom-designed tools created for a grantee learning community or a particular grant portfolio. Several had grantees that had used the CCAT and OCAT with consultant help, and felt those experiences had been positive.

**Funders who are experienced in using assessment tools feel the greatest benefit of the tools is the shared learning that the organization gains.** Two funders state they prefer tools with rubrics, not rating scales alone, because these help nonprofit leaders understand what “better” looks like. A program officer’s role, ideally, is to be part of the discussion of the priorities, gaps, and next steps that emerge from using a tool.

**One noteworthy use of organizational assessment tools is for new organizations as they are developing capacity.** Leaders of entrepreneurial start-up organizations may be so focused on program development and fundraising that they fail to pay attention to other key areas of the organization that will need to be in place for

long-term stability. A tool can be useful in these situations, especially when it helps the grantee regularly review the capacity development that a funder expects during a grant period start-up phase.

On the other hand, funders have considered but are less inclined to use a tool in certain circumstances. **Funders are not enthusiastic about using organizational assessment tools for pre-/post-grant comparisons.** We heard the following from funders we interviewed:

- Using a comprehensive tool every year for multiple years was not effective, said one funder. Change happens slowly; the grantees needed two or three years between tool uses to see whether change had happened.
- Another funder said there was little difference between the results of assessments taken a couple of years apart, and it had taken a lot of work from the organization to complete each assessment.
- A third funder said assessments done several years after capacity building grants revealed the biggest changes in capacity were related to external forces—change in government regulations or loss of a funding source—and not to the organizational improvements that had occurred through technical assistance. The results from the second assessment were a snapshot in time that told an important story, useful for determining next steps, but not useful as a measure of capacity development.

Among the small number of funders and consultants who have successfully used a tool for the purpose of monitoring or evaluating capacity development, there are some commonalities in their stories:

- The tool was part of a larger capacity-development process guided and facilitated by an external consultant.
- The tool was custom designed for the group.
- The evaluation was of a small, defined group of grantees (e.g., a cohort) that was convened and supported as a learning community.
- In addition to administering the tool and helping grantees to interpret the results, a facilitator helped grantees secure relevant technical assistance (TA) to address gaps or advance action steps.

The funders using this approach say the tools helped the consultants to monitor the rate of incremental progress by the group and by individual grantees, and to provide technical assistance and other support accordingly. It is important to note that these cohort evaluations monitored and documented movement on a continuum of progress toward desired benchmarks, rather than measuring concrete change.

Little information is publicly available about foundations using an organizational assessment tool prior to issuing a grant as a way to get insight into the general state of a nonprofit's health and stability. **Among the small group of funders we interviewed, most did not report using a tool for pre-grant due diligence.**

According to *Due Diligence Done Well* by Grantmakers for Effective Organizations (GEO) & La Piana Consulting,<sup>vii</sup> there are eight key things a funder should understand prior to issuing a grant, and a tool can help funders understand seven:

- Governance and executive leadership
- Organizational vision and strategy
- Systems for planning, evaluation, and organizational learning
- Staff management and human resources
- Communications
- Relationships and networks
- Financial health

The eighth item on the list, organizational history and track record, is not something learned through an organizational assessment tool.

To determine whether a tool can adequately answer what the foundation wants to know in these seven areas, or a variation of them, a funder has to first consider two key questions:

1. Will the nonprofit conduct a pre-grant process that is adequately thoughtful, thorough, and unbiased to provide the foundation with useful information about the requested areas?
2. How will the individual foundation staff member receiving the information apply it in their work?

Similar to points made in the GEO–La Piana report, the nonprofit representatives and a few of the consultants we interviewed mention that **being asked by a funder to do a comprehensive organizational assessment tool as part of a grant application process can be burdensome**. If a funder requests it, nonprofits say they weigh the cost of doing it against the odds of having those costs paid back through the receipt of a grant. Nonprofits also say they are careful about what to say and how to share the findings, not wanting to jeopardize the status of their grant application by revealing gaps in their capacity.

Some funder interviewees say **you cannot expect to receive unbiased data from grantees or potential grantees if the organizational assessment is perceived as a test**—it is better to request such an assessment after a nonprofit has become a partner with the foundation. Another says any potential grantee’s self-assessment must be biased to some degree given the organization’s instinctive need to present itself as a worthy partner; results from a tool will not be a true measure of capacity.

If, however, the purpose of a pre-grant organizational assessment tool is to prompt organizational self-reflection and to position the organization’s leaders for a thoughtful conversation with a foundation program officer about the seven areas of due diligence noted earlier, then that purpose matches the philosophy of several funders we interviewed. **Most informants say the best practice is to encourage self-assessment but not ask to see the results of a tool**. For example, one funder stated that “it’s not about the tool, it’s about the process.” Another funder emphasized “focus[ing] on the process, not the end result.” These informants say the best practice is to encourage self-assessment but not to ask to see the results of a tool.

Funders and consultants also point out that when a program officer expresses interest in an organizational assessment, there is high risk of misinterpretation of the funder’s intention. Program officers should be cautious about nonprofits interpreting such interest as an invitation for a proposal or a promise of future funding.

If funders support or encourage organizational assessments, do they tend to fund the needs that emerge through the assessments? Many foundations address this issue directly by making available small capacity building grants to support organizational assessment work or a separate grantmaking program for capacity building, and referring grantees or potential grantees there. All categories of our informants—funders, consultants, and nonprofit leaders—mentioned these grantmaking practices as useful and generally supportive for organizational capacity development.

**Considerations:** Following is advice from our informants for funders who are considering asking a grantee to use a tool:

- **Motivation:** Be mindful of nonprofits’ motivation to use a tool. The desire to enact change is an important pre-condition for success with any organizational capacity assessment, whether with or without a tool. Is this nonprofit motivated to do this? A nonprofit should not use a tool just to check off a box for a grant process.
- **Appetite:** Consider the amount of energy that board and staff will need to expend not just to complete the assessment but also on the follow up decision-making and planning. Does the organization’s leadership

have the appetite to carry this process all the way through into action steps? Ideally the work fits into the nonprofit's already-scheduled planning calendar and board meetings.

- **Answering hard questions:** Using a tool helps with asking tough questions about an organization that funders may not feel they can ask directly.
- **Learning environment:** Different types of tools create different learning atmospheres. A funder may choose to recommend a longer, more comprehensive tool that puts a focus on answering the questions, working through the whole tool, and learning from it. For another nonprofit in a different situation, a funder may suggest a short tool that allows more time for relationship building, shared reflections, and moving into implementing action for change.
- **Who sees the results:** Think ahead about whether you will ask to see the actual results of this assessment, and let the nonprofit know before the assessment process begins. Be intentional: how will you use the results of the tool? The advantage of funders being privy to the actual results is that they can have informed conversations with their grantees based on the data, not a program officer's impressions or out-of-date information. On the other hand, if a nonprofit must share the results with a funder, participants completing the assessment could give higher ratings to impress the funder. Also, there is an inherent power dynamic between funder and grantee that can hamper the nonprofit's honest answers if the tool is perceived as a compliance mechanism. It would be better, if possible, to work with the information that a nonprofit chooses to share after the tool's findings are written up.
- **Resources:** Be mindful of the resources needed for an organization to complete an assessment. The process takes staff time and will extend for weeks or months. Is the resource investment worth it? Will people use the results? Is the nonprofit in a position to cover the requisite staff time and other expenses from its discretionary funds? Is completing a tool a requirement of an already-made grant or something recommended as part of a grant application? Is the tool a required part of a learning community?

Program officers may not feel prepared to participate in conversations about an organizational assessment. Several of our funder informants say that **often a program officer feels underprepared to assess or even discuss organizational capacity**. For the less knowledgeable program officer, a tool may seem like a quick fix to gather needed information. However, tool use alone is an incomplete, poor substitute for a facilitated process of inquiry and reflection.

## AN AID TO SELECTING A TOOL: A DATABASE

### Introduction to the database

To document our research on the landscape of organizational assessment tools, we created a database to house information on the various tools.<sup>viii</sup> The database is meant to serve as a resource for two primary audiences supporting organizational capacity building: (1) **philanthropic organizations** that support nonprofit grantees, and (2) **nonprofit organizations** searching for a tool and assessment to administer. While this section (and much of this memo) is written with a funder audience in mind, the information may also be useful for nonprofit organizations.

Two caveats about the database:

- The tools in the database are described as we found them; costs, availability, URLs, and contact information are accurate as of July 2017. Be aware that that creators and proprietors of these tools often make changes in the availability and access points; URL errors will continue to occur, and database users may need to do additional searching for the most up-to-date access information.
- We acknowledge the possibility of errors in the name of a tool, its organizational source, and its creator. It was sometimes difficult to determine a tool's correct name as well as the names of its sponsoring

organization and creator. This is partly because of variations on original tools, partly because good tools are sometimes included within other organizations' resources, and partly because many nonprofit and foundation-funded resources are open-source, encouraging others to modify or improve a publication.

The database begins with a **glossary** of terms—defining the information we collected on each of the tools. The information in the glossary, as well as the subsequent database, is broken down into three distinct parts:

1. Background information on the tool—including the tool name, creator, URL, and target audience (blue columns);
2. Organizational capacity areas—including the 18 most-used organizational capacity terms we found in the various tools (purple columns); and
3. The assessment logistics—including price, format, number of questions, type of scale used, and so on (green columns).

Following the glossary is a set of **tools** that assess a broad set of capacity areas, and utilize a scale other than a Yes/No response (i.e., rubric and rating). Based on our search of the tools in this database, we have codified a list of 16 capacity areas that were most assessed within comprehensive tools. We assume the majority of users will use this tab of the database when searching for a tool.

Our research also yielded a set of **checklists and guides** that can support building an organization's knowledge and understanding of various aspects of what an effective nonprofit organization could look like. Largely, the guides read more narratively to help build knowledge, whereas the checklists are more similar to the multi-area tools but use a Yes/No rating to determine the presence or absence of various components of an effective nonprofit organization.

## Finding tools to consider

To select an appropriate tool for a given circumstance, we suggest considering the purpose of the assessment (see [page 5](#)), together with the organization's size and structure, its phase in the organizational life cycle, and its current capacity to administer and use the findings from the assessment. The following information outlines how to filter the database entries for different factors and scenarios.

- **Content:** If the organization addresses a particular content area (e.g., arts, global development, etc.), filter Target Org (column G) in the database, to see what tools are available for that specific area. Organizations that focus on a content area other than those listed on the spreadsheet can filter this column for tools that are applicable generally across nonprofit organizations.
- **Broad capacity focus:** If an organization wants to get a sense of its current status across multiple capacity areas, we recommend using a comprehensive tool (like the most well-known tools listed earlier) or finding a comprehensive tool by filtering Number of Capacity Areas (column AB) to find a tool that assesses a broad set of capacity areas. Tools with 13 to 16 capacity areas provide the broadest assessment and can be useful to understand an organization's overall strengths and weaknesses. Organizations using a broad tool with a rubric are well positioned to develop a comprehensive action plan. Some tools to consider:

Throughout this memo, **Informing Change** suggests and recommends tools to consider in different situations. In choosing these examples, we considered the appropriateness of the tool questions and language; the response type; ease of understanding both questions and directions; and whether any informants in this project had successfully used the tool or had colleagues who had successfully used it.

- McKinsey & Company – OCAT
  - Marguerite Casey Foundation – OCAT
  - TCC Group – CCAT
- **Specific capacity focus:** If the organization or funder wants to assess only specific capacity areas, select sections from the well-known comprehensive tools listed above (e.g., focus on the Finance or Governance section of the OCAT), or filter through the Org Capacity Areas (columns J–AA) to find a tool that assesses the specified area. Consider using selected sections (e.g., sections on Fundraising, Leadership, or other specific areas of focus) within one of the tools below:
    - McKinsey & Company – OCAT
    - Marguerite Casey Foundation – OCAT
    - The tools in this database are designed to assess multiple capacity areas, but there are other, more focused, tools available to assess a single capacity area (e.g., leadership, finances, board, or communication). However, we did not study single area tools for this project.
  - **Small and medium organizations (e.g., budget under \$1M–\$10M):** Finding the right tool that fits an organization is important, but it becomes increasingly important when time, budget, and resources are limited. In many cases, organizations with smaller budgets have smaller staffs, reducing the pool of people available to dedicate time to completing a tool. For example, an organization with a small operating budget may not want to use a tool with a large number of questions or one that requires an external consultant to facilitate. A tool hosted online or with a fillable form may also expedite the process for seeing the results.

Some filters that small and medium-sized organizations may want to explore when searching for a tool include:

- Price (column AJ) – whether or not the tool is free
- Internal Facilitator (column AC) – whether or not the tool was designed or can be facilitated by an internal facilitator
- Assessment Format (column AK)
- Summary or Action Planning Capabilities (column AV) – whether the tool will suggest actions the organization can take based on the results
- Number of questions (column AN, filter “smallest to largest”) – a smaller number of questions requires less time and resources to complete

If using a free tool that can be facilitated by an internal staff member (not an external consultant) is paramount, we recommend filtering the database in the following order. First, go to Price (column AJ) and filter for tools that are free. Second, go to Internal Facilitator (column AC), and filter for tools that are made for an internal facilitator.

If the organization prefers to fill out a form that provides easy to read results, go to Assessment Format (column AK), select the boxes “online,” and “fillable form,” and then go to Action Planning (column AV) to find a tool that provides an end-of-assessment results summary. After applying these filters, Number of Questions/items (column AN) will tell you how many questions each tool has. A smaller number of questions may require a shorter amount of time and less effort to complete.

If the organization is looking for a quick assessment to understand where strengths and weaknesses are, the organization may want to prioritize a free tool with a numeric or rating system. However, if the organization plans to take action on the results, finding a tool with a rubric can help support building

organization knowledge and capacity in understanding what success looks like at the next and subsequent levels, and create an action plan accordingly.

For organizations just looking to take stock of strengths and weaknesses, use the filters listed above, then go to Rubric (column AO) and uncheck “X.” Additionally, US organizations can also go to Creator’s Location (column F), and unclick international locations to find a tool made for a US audience.

Alternatively, a small organization with a desire to focus on a few specific capacity areas could use specific sections within one of the more well-known tools listed earlier.

Some tools to consider:

- Marguerite Casey Foundation – OCAT
  - Weingart Foundation – Grantee Survey (part of the Learning and Assessment Framework)
  - Handicap International–OCAT
  - Global Fund for Children – Organizational Capacity Index
- **Larger (budget over \$10M) and more established organizations:** Large organizations may have more resources to dedicate to an organizational assessment process, but not necessarily more time to commit to the process. More resources give these organizations the flexibility to choose from a larger set of tools. However, for large organizations, the number of staff and the breadth and reach of services may be greater than for smaller organizations, making it more difficult to understand and assess what is going on among staff members, across programs, and across constituent groups. Thus one possible pain point for larger organizations is to get assessments from a vertical cross-section of staff members. To mitigate any potential hierarchy or power concerns, it may be useful to have an external consultant support an open and honest organizational assessment process.

For example, a large organization that has broad organizational effectiveness needs may want to consider how to use a tool to best meet the needs and varying levels of knowledge of staff members. This could mean using different tools at different phases of the process, or bringing in an external consultant to help build capacity and a deeper understanding of how to assess various criteria within an organization through the lens of the participants’ role, or both.

For a larger nonprofit organization, tool considerations may include the following:

- Assessment Completed by Staff (column AG) – In a larger, more established organization, many staff may have a deep awareness and understanding of the organization’s strengths and weaknesses, and their diverse perspectives may be important to incorporate
- Use of an external consultant (External Facilitator – column AD; Funder/External – column AF) – external consultants can help build consensus and move the assessment to action
- Number of Capacity Areas (column AB) – tools with a larger number of capacity areas usually have more specific questions that are more useful to organizations with multiple divisions or large departments
- Available Comparison Data (column AW) – for organizations that want to benchmark their scores with other similar organizations
- Price (column AJ) – how much is the organization prepared to pay to use the tool

If the priorities of the organization are to find a broad tool that assesses multiple capacity areas and to engage staff and board members in the assessment process, we recommend filtering the database in the following order:

1. Go to Number of Capacity Areas (column A) and filter “largest to smallest.”
2. Go to Assessment Completed By... (columns AE–AG) and select Board (column AE), Leadership (column AF), and Staff (column AG).
3. In Facilitation (column AD), select tools that can be used with an external facilitator.

After applying these filters, organizations can review the shortened list of tools to find one that meets the needs of their particular situation. Other tool considerations may include the following:

- Number of Questions (column AN)
- Type of scale or use of a rubric (columns AO and AP)
- Whether or not a tool provides comparison data to similar, peer organizations (column AW)

Some tools to consider:

- McKinsey & Company – OCAT
- Social Venture Partners – OCAT
- The TCC Group – Core Capacity Assessment Tool (CCAT)
- Venture Philanthropy Partners – McKinsey Capacity Assessment Grid
- **International (non-US) organizations:** Many international funders and their partner intermediary organizations encourage organizational capacity assessments, and numerous tools in the database are designed specifically for working with NGOs. Many of these tend to be tools for a consultant doing a site visit or working in person with NGO leaders at their location. Two of the most frequently referenced tools are the USAID’s Organizational Capacity Assessment, which requires an external facilitator, and the Organizational Performance Index developed by PACT. Similar to the variations on the McKinsey OCAT tool, we found some variations on these two tools as well as references to them (e.g., charts of the questions) appearing in guides.

The database includes 11 tools created by a non-US nonprofit for their chapters and partners. To find these tools, go to Creator’s Location (column F) and omit tools created in US cities.

Some tools to consider when working with a non-US nonprofit or an international group of grantees:

- USAID – Organizational Capacity Assessment (OCA)
- PACT – Organizational Performance Index (OPI)
- Commonwealth Foundation & One World Trust – Civil Society Accountability: Principles and Practice, India Toolkit
- The Nature Conservancy – Institutional Self-Assessment
- The Wheel House – NZ Navigator

## CONCLUSION

Organizational Assessment tools can play an essential role within a larger organizational capacity-building process—whether or not that process involves an external funder or consultant. Finding a tool to use can be challenging, due to the large number of tools on the market as well as the numerous variations between tools. Deeply understanding the impetus for any organizational effectiveness effort is critical, and the more that is known about an organization’s needs, ultimate goals, and intentions for using the results, as well as logistical characteristics, the easier it will be to find tools that can meet the organization’s need.

The corresponding database was designed to help users narrow down their search for a tool, and our assessment shows that there is no one best tool for any situation. The database was designed to be filtered and sorted through in many different ways, but ultimately it is up to the funder, consultant, or nonprofit to select a tool that they like and best fits with their time, budget, resources, and organizational capacity development needs.

In the end, a tool should prompt and support organizational reflection, decision-making, and improvements. We hope that the tool database we've assembled and the insights shared in this memo will serve as useful supports for this purpose.

---

<sup>i</sup> Throughout the memo we often use the term “tool” as a shorthand reference to an Organizational Capacity Assessment tool.

<sup>ii</sup> The examples in Exhibit 1 are taken from the following tools: Academy for Educational Development (AED), *Organizational Capacity Internal-Assessment Tool*, <https://www.k4health.org/sites/default/files/IDAAssess.pdf>; Michigan Nonprofits Association, *Principles and Practices for Nonprofit Excellence in Michigan Organizational Planning & Assessment Tool* (2009), <https://mnaonline.org/principles-practices-assessment/file>; U.S. Department of Health & Human Services, Administration for Children & Families, *Capacity Benchmarking Tool for Faith-Based and Community-Based Organizations* (2006), [https://archive.acf.hhs.gov/programs/ocs/ccf/about\\_ccf/benchmarking\\_tool/Benchmarking.pdf](https://archive.acf.hhs.gov/programs/ocs/ccf/about_ccf/benchmarking_tool/Benchmarking.pdf); Venture Philanthropy Partners, *McKinsey Capacity Assessment Grid* (2001), <https://www.neh.gov/files/divisions/fedstate/vpppartnerscapacityassessment.pdf>; WNC Nonprofit Pathways, *Nonprofit Infrastructure Checklist*, <http://nonprofitpathways.org/wp-content/uploads/2015/09/WNCNPPInfrastructureChecklist1015.pdf>

<sup>iii</sup> Example taken from the following tool: Grantmakers for Effective Organizations. (2003). *Tool for Assessing Startup Organizations*. Retrieved from <http://lapiana.org/Portals/o/Documents/Tool%20for%20Assessing%20Startup%20Organizations.pdf>

<sup>iv</sup> Example taken from the following tool: Texas Commission for the Arts. *Organization Self-Assessment Tool*. Retrieved from <http://www.arts.texas.gov/wp-content/uploads/2012/05/Organizational-Self-Assessment-Tool.pdf>

<sup>v</sup> Example taken from the following tool: Connecticut Commission on Culture & Tourism. (2011). *Peer Advisor Network Organizational Assessment Questionnaire*. Retrieved from [http://www.cultureandtourism.org/cct/lib/cct/arts\\_forms/pan/fy10-11\\_pan\\_org\\_assessment.pdf](http://www.cultureandtourism.org/cct/lib/cct/arts_forms/pan/fy10-11_pan_org_assessment.pdf)

<sup>vi</sup> Example taken from the following tool: Venture Philanthropy Partners. (2001). *McKinsey Capacity Assessment Grid*. Retrieved from <https://www.neh.gov/files/divisions/fedstate/vpppartnerscapacityassessment.pdf>

<sup>vii</sup> Grantmakers for Effective Organizations & La Piana Consulting. (2010). *Due Diligence Done Well: A Guide for Grantmakers*. <http://lapiana.org/Portals/o/Documents/Due%20Diligence%20Done%20Well.pdf>.

<sup>viii</sup> Please note that some tools might be mistitled or included under different names. This is especially true for the tools that we did not have direct access to, which instead were included as part of a larger organizational assessment package, guide, or communication.