

The Foundation Review

Volume 11 | Issue 4

12-2019

Strengthening the Ecosystem of Capacity-Building Service Providers: A Case for Why It Matters

Caroline Altman Smith
The Kresge Foundation

Carla Taylor
Community Wealth Partners

Follow this and additional works at: <https://scholarworks.gvsu.edu/tfr>



Part of the [Nonprofit Administration and Management Commons](#), [Public Administration Commons](#), [Public Affairs Commons](#), and the [Public Policy Commons](#)

Recommended Citation

Altman Smith, C., & Taylor, C. (2019). Strengthening the Ecosystem of Capacity-Building Service Providers: A Case for Why It Matters. *The Foundation Review*, 11(4). <https://doi.org/10.9707/1944-5660.1496>

Copyright © 2019 Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. The Foundation Review is reproduced electronically by ScholarWorks@GVSU. <https://scholarworks.gvsu.edu/tfr>

Strengthening the Ecosystem of Capacity-Building Service Providers: A Case for Why It Matters

Caroline Altman Smith, M.A., *The Kresge Foundation*, and Carla Taylor, Ph.D., *Community Wealth Partners*

Keywords: *Capacity-building, consultants, service providers, collaboration, racial equity, leadership*

Introduction

Of the many components that contribute to a strong, healthy nonprofit sector, providers of capacity-building services are key players. These providers — whether they come in the form of independent contractors, consulting firms, university-affiliated centers, or something else — are critical partners in helping nonprofits build knowledge and skills, develop new strategies, and navigate change so they can more effectively advance their missions.

In an ideal scenario, nonprofits seeking capacity-building¹ services would have a variety of options available to choose from, a clear understanding of how the offerings differ from one another, ample time and space to carefully vet providers to ensure the right fit, and adequate resources to hire the help they need. For many nonprofits, however, this is not the case.

Nonprofits often say that finding the right capacity-building service provider can be difficult. In some regions, there are few options to choose from. For many nonprofits, it can be tough to discern the best fit among the options available. Identifying and vetting options requires careful consideration and extra time, a luxury many nonprofit leaders don't have.

These challenges become even more significant when a nonprofit is seeking specialized expertise

¹ “Capacity” is an abstract term that describes a wide range of capabilities, skills, practices, knowledge, and resources that individuals and organizations need in order to be effective. “Capacity building” describes investments in individuals and/or organizations to develop and grow specific capacities.

Key Points

- Nonprofits frequently find it challenging to find providers best suited to meet their capacity-building needs. This can be especially true when looking for providers to strengthen racial equity capacity. Many nonprofits lack the time, networks, or expertise to identify what's available and vet various options for cost, relevance, and quality.
- When the Kresge Foundation designed a program to build leadership capacity through a racial equity lens among its grantees, it wanted to strengthen the marketplace of offerings as well. Kresge's Fostering Urban Equitable Leadership program sought to build leadership capacity and add value for grantees by offering a curated menu of services from a range of providers. The program also has an explicit goal of helping strengthen participating service providers' own capacity, which it does by providing grant support and opportunities for peer learning and collaboration.
- This article explores why more foundations should invest in the capacity of nonprofit capacity builders. It draws on reflections and lessons learned from the program and perspectives from service providers. Foundations have a unique role to play in strengthening the ecosystem of capacity-building service providers. The article offers recommendations for how to do so in ways that have the potential to stimulate new thinking about collaborative opportunities, reduce overlap in services, and expand the quality of offerings throughout the field.

on a complex issue such as racial equity. In recent years, growing numbers of nonprofits have recognized the need to build internal capacity for advancing racial equity in their organizations. Finding a capacity-building service provider to help build racial equity capacity can be especially challenging for a variety of reasons:

- As more nonprofits recognize racial equity as a critical component of effectiveness and more foundations articulate commitments to racial equity, there is greater demand for consultants with racial equity expertise. Some consultants are having to decline requests from nonprofits seeking assistance.
- Advancing racial equity in organizations is complex and adaptive work that often requires change at multiple levels in organizations and long time frames for seeing results. Some nonprofits may not recognize this initially. As a result, there may be a mismatch between what nonprofits start out seeking and what they actually need. For example, an organization seeking to improve racial diversity of its staff may want to start with overhauling human resources policies, but that work will not be effective if the organization hasn't first done some internal reflection on organizational culture and other dynamics that may be contributing to a lack of diversity among its staff.
- Nonprofits in the early stages of thinking about racial equity in their organizations often underestimate this complexity and overestimate the organization's readiness to take on this work, which can make it difficult to find the most appropriate match.
- Many capacity-building service providers are also still learning how to integrate racial equity into their work, how to effectively work with leaders and organizations to advance their racial equity capacity, and how to collaborate with others to provide more comprehensive support to nonprofits.

Add to this the overall lack of funding available to nonprofits and capacity-building service

providers to support investments in their organizational effectiveness, and it is not surprising that finding the right provider is such a common challenge for nonprofits seeking capacity-building support.

When The Kresge Foundation designed a program to build leadership capacity through a racial equity lens among its grantees, we wanted to strengthen the marketplace of offerings as well. Kresge's Fostering Urban Equitable Leadership (FUEL) program sought to build leadership capacity and add value for grantees by offering a curated menu of services from a range of capacity-building service providers. Knowing that the nonprofit sector's success in advancing racial equity depends on assistance from these service providers, the FUEL program also has an explicit goal of helping strengthen participating providers' own capacity, which it does by providing both capacity-building funding and opportunities for peer learning and collaboration.

Now that we are in our second program cycle with FUEL, we are seeing some valuable outcomes from our investment in the capacity of capacity-building service providers — outcomes that other capacity-building funders may want to pursue in their own networks:

1. increased effectiveness and efficiency of service delivery,
2. strengthened capacity of capacity builders, and
3. greater coordination and collaboration among service providers.

As the funder (Kresge) and program manager (Community Wealth Partners) of the pilot effort, we also have learned some valuable lessons from bumps we encountered along the way. We will explore each of these outcomes in greater detail, as well as key lessons we've learned from this work and adjustments we've made to the program in response to what we've learned.

TABLE 1 FUEL Program Stakeholder Roles

Kresge Foundation Leadership & Infrastructure Funding Team	Community Wealth Partners
<ul style="list-style-type: none"> • Incubator • Sponsor and grant manager • Champion • Convener • Learning partner 	<ul style="list-style-type: none"> • Design and implementation expert • Program manager • Lead learning partner • Neutral facilitator between other stakeholders
Capacity-Building Service Providers	Grantee Participants
<ul style="list-style-type: none"> • Experts on equitable talent and leadership development and equity-informed service delivery • Learning partners with peers and other stakeholders 	<ul style="list-style-type: none"> • Experts on their own work • Engaged and committed participants in the services • Learners and learning partners

About the FUEL Program

The Kresge Foundation works to expand opportunities in America’s cities. A key strategy for doing this is investing in grantees’ talent and leadership development² through a racial equity³ lens. This investment aims to better equip nonprofits to advance racial equity and achieve better outcomes in their organizations and communities.

In 2016, Kresge launched the FUEL program, a pilot effort that expands on a history of investment in leadership at the foundation by investing in nonprofit leaders across all seven of the foundation’s program and practice areas in a coordinated way and making investments with an intentional focus on racial equity. The goals of the FUEL program, as stated in internal documents for the program’s second cohort, are:

Participants from grantee organizations across all Kresge’s funding areas have capacity-building support to develop 1) stronger senior teams, 2)

stronger mid-level talent, 3) more diverse talent, and 4) more equitable practices. Participating providers are stronger in their ability to meet their individual missions and to grow their collective work in the social sector.⁴

To date, the program has reached about 550 individuals from 236 grantee organizations and invested \$3.4 million to cover grants for each capacity-building service provider; costs for convening, consulting, and program design and management; and travel stipends for participants.

The foundation hired Community Wealth Partners, a social-sector consulting firm, to help design and implement the program. Together, they sought input on the program design through a survey and interviews with grantees. (See Table 1.)

Grantee feedback uncovered a desire to focus on talent and leadership development through a racial equity lens. Grantees shared this was something they needed to focus on to be more

²Talent and leadership development is a specific type of capacity building that leverages investments in individuals and/or teams to build a wide range of capacities (e.g., recruitment and hiring, management best practices, succession planning), leading to stronger, more well-run and more sustainable organizations.

³According to the Center for Social Inclusion, racial equity is both an outcome and a process. As an outcome, it is when race no longer determines socioeconomic outcomes and everyone has what they need to thrive. As a process, we apply racial equity when those most impacted by structural racial inequity are meaningfully involved in the creation and implementation of the policies and practices that impact their lives. To learn more, visit <https://www.centerforsocialinclusion.org/our-work/what-is-racial-equity>.

⁴Other grantmakers are working to strengthen the nonprofit ecosystem in similar ways. For two examples, see Borealis Philanthropy’s REACH Fund and a case study on an effort of the Evelyn & Walter Haas, Jr. Fund.

TABLE 2 FUEL Program Services at a Glance

Service Providers	Offering	Description
AchieveMission; Crossroads Antiracism Organizing & Training	Race equity and succession planning	AchieveMission and Crossroads collaborated to design an offering that brings an adaptive leadership framework and race equity/power analysis to succession planning. The program includes 3 in-person sessions, 2 virtual sessions, and team coaching focused on an organizational project.
Change Elemental; Prolnspire; Crossroads Antiracism Organizing & Training	Learning community to operationalize equity	3 service providers collaborated to design a 10-month learning community on developing strategic clarity to operationalize race equity within organizations. The program includes 2 in-person sessions, 2–3 virtual-learning sessions, 2–3 coaching sessions, and ongoing work.
CompassPoint Nonprofit Services	Organizational Equity Leadership Development Program	This program on facilitative leadership is designed to strengthen leadership skills of a cohort of mid-level leaders across grantee organizations and instill greater ability to achieve equitable outcomes. It includes 3 in-person gatherings, 4 virtual-learning sessions, and 5 sessions of individual coaching.
Rockwood Leadership Institute	Art of Leadership	This 5-day intensive retreat teaches powerful visioning, listening, speaking, presentation, coaching, team-building, and feedback skills to emerging and established leaders. The program infuses concepts of racial, gender, and economic equity within the curriculum as leaders draw from their personal identity and experiences throughout their participation.
Interaction Institute for Social Change	Facilitative Leadership for Social Change	This program on facilitative leadership aims to strengthen leadership skills of mid-level leaders and instill greater ability to achieve equitable outcomes. It includes a 3-day in-person workshop and a virtual follow-up session.
	Fundamentals of Facilitation for Racial Justice Work	Training to help leaders become more effective at helping others understand structural racism and the difference between inclusion and equity, and develop plans for advancing racial equity, includes a 2-day in-person workshop and a virtual follow-up session.
	Advancing Racial Justice in Organizations	A workshop for organizational leaders is centered on understanding the system of racialization and concepts and tools for facilitating a collaborative planning process to develop plans for operationalizing racial justice and pursuing equity. The program includes a 1-day workshop and a virtual follow-up session.
Management Center	Managing to Change the World	A 2-day course on management skills includes delegation, goal setting, hiring, and using an equity and inclusion lens.
People’s Institute for Survival and Beyond; Crossroads Antiracism Training & Organizing; Race Forward	Variety of trainings and workshops focused on foundational racial equity learning	Grantee organizations receive a scholarship to support their participation in a racial equity training or workshop of their choosing, based on their learning interests and available capacity.

Reflective Practice

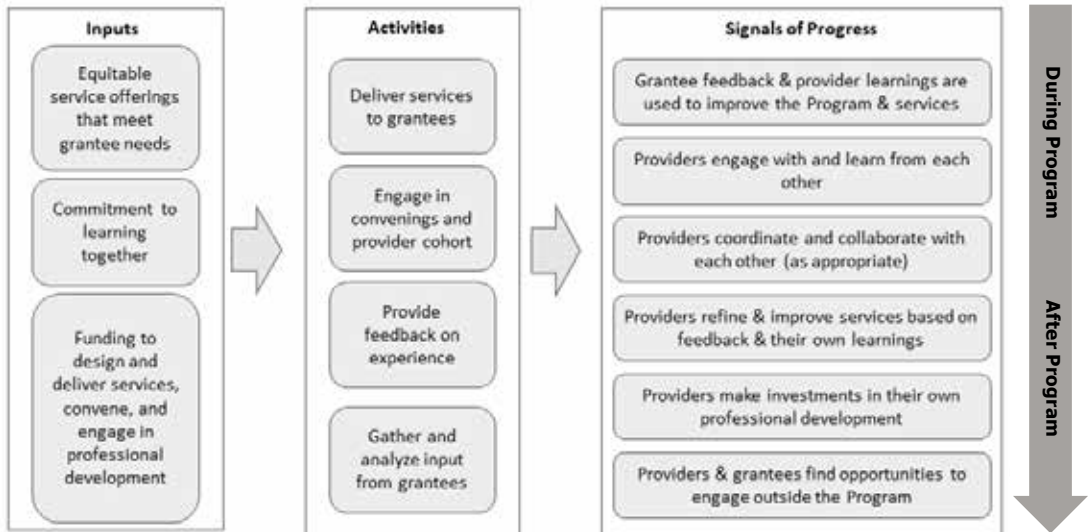
effective leaders, but many didn’t know where to start, know who to turn to for help, or have time to dedicate to finding solutions.

In response to this, a key part of the program design includes vetting and selecting a cadre of service providers with expertise in racial equity

to offer grantees a range of services on different aspects of advancing racial equity inside organizations and aligned with grantees’ needs. We made this design choice based on grantee feedback — grantees said being able to choose from a menu of vetted options saved them time and effort, and we made sure the options available

FIGURE 1 Logic Model for Capacity-Building Service Providers in FUEL Program

Goal: Participating providers are stronger in their ability to meet their individual missions and to grow their collective work in the social sector



aligned with the types of services grantees said they wanted. In the initial pilot we formed partnerships with six capacity-building service providers, and in round two of the program we expanded to include 10 providers. (See Table 2.)

We had a clear vision for how the FUEL program would contribute to grantees’ talent and leadership development, and we anticipated that capacity-building service providers would find it useful to be part of the cohort and receive grants. We found that our investment in the capacity of those service providers provided more value than we anticipated.

In an assessment of the pilot round of the program, capacity-building service providers reported three key benefits: 1) increased effectiveness and efficiency of service delivery through vetting and matching assistance, 2) strengthened capacity, and 3) greater coordination and collaboration among service providers. For the second round of the program we decided to put a more intentional focus on some of these benefits. (See Figure 1.)

Increasing Effectiveness and Efficiency of Service Delivery

By working with a cohort of capacity-building service providers and helping match grantees with providers suited to meet their needs, we hoped to support providers’ ability to meet their individual missions and to grow their collective work in the sector. We also hoped to create some efficiency and minimize the burden for grantees who often don’t have time to identify and vet potential providers.

Indeed, feedback from grantees and capacity-building service providers from the first round of the program shows that the vetting and matching is helpful to them. In a survey to participants in the current program, grantees rated every aspect of the application and matching process favorably (average responses were above 4 out of 5 for each of 13 questions), and service providers also rated the process favorably overall. High satisfaction rates among grantees for the services they received also suggest that the attention to vetting and matching had the desired effect.

Kad Smith, project director at CompassPoint Nonprofit Services, said:

I appreciate the back-end support Community Wealth Partners has provided. It helps keep us organized, and they are covering some of the things that can be time-sucks for us as providers, such as travel support and the application process. And because Kresge is sourcing the grantees who are participating in the program, that makes it a lot easier for us to get folks in the room.

We also learned some valuable lessons that we have incorporated into the program's second round to make the matching process more effective and equitable for service providers and grantees.

First, while a funder or intermediary can add value by aiding with vetting and matching, it is important to ensure both grantees and service providers have an active role in assessing the fit. While this was part of the initial program design, we learned there was more we could do to allow space for grantees and capacity-building service providers to have more of a voice in the match. "Giving grantees the opportunity to select among offerings is important, and giving providers an opportunity to agree [or] disagree with the findings is [also] important," said one service provider in an open-ended survey response.

Second, an equitable process should provide a flexible time frame so that the work can happen at a pace that feels reasonable for both the capacity-building service providers and the grantees. In our pilot round we received feedback from both groups that the timeline we were imposing felt too rushed and was driving a false sense of urgency, a practice associated with white dominant culture. Grantees requested more time to absorb the information about the various options available, consult with others in their organization, and make decisions. Service providers requested more time to get to know grantees to help assess fit.

In response to this feedback, we altered the process in the program's second round to allow more time to share information about the

services available, provide space for grantees and service providers to connect directly with each other, give grantees more time for internal conversations and decision-making, and give service providers greater voice in assessing fit for their offerings among interested grantees. These adjustments meant we needed to extend the overall time frame for the program by six weeks.

Finally, we learned from the pilot effort how difficult it can be to accurately assess where an organization is in its racial equity journey and ensure that the service being offered is an appropriate fit. Initially, the Kresge team had wanted all capacity-building service providers to meet grantees where they were and be flexible about who they worked with no matter what their stage in their equity journey. We learned that not all service providers were able to do that — providing foundational training to educate organizations on systemic racism and how it can manifest itself in nonprofit organizations is not something that every service provider offers. To mitigate this challenge, we made a few changes in the program's second round:

1. We offered grantees an optional self-reflection questionnaire to help them assess their needs.
2. We created more space for capacity-building service providers to voice when they saw signs that a grantee might not be ready for a more sophisticated service.
3. We created a wider cadre of options to help better meet grantees where they were, including scholarships for grantees who were in earlier stages of understanding racial equity to participate in foundational training. (See Figure 1.)

Strengthening the Capacity of Racial Equity Capacity Builders

The FUEL program invests in the capacity of the capacity-building service providers through grant funding and peer learning. Each participating service provider receives a capacity-building grant to use as they see fit. (Grants were \$25,000

in the first round of the program and were reduced to \$10,000 in the second round due to budget constraints.) For many of the participating organizations, benefiting from this type of support is rare and provides an opportunity for internal investment in the organization that may not have happened otherwise. Mikaela Seligman, executive director of AchieveMission, reported:

We have not previously received funding that is not directly tied to designing offerings for our clients. We ourselves are a nonprofit, so we don't have a lot of resources to put into our own capacity. Having some dedicated funds to invest in ourselves has been tremendous.

AchieveMission used its grant for professional development for board and staff — participating in a Crossroads Antiracism Organizing & Training program — and to help strengthen the organization's marketing efforts.

While we expected the grants to be valuable for the capacity-building service providers, an unexpected outcome was the value they received from having an opportunity to work with and learn from one another. They benefited from sharing best practices that influenced service delivery, identifying opportunities to expand or continue their work, and creating new relationships and opportunities for their own professional development.

Kad Smith and Shannon Ellis of CompassPoint offered one example of the sharing and learning that took place in the program's first round. Smith and Ellis had both been involved in revising the organization's compensation framework to be more equitable, and they had an opportunity to reflect and exchange ideas with the cohort of other capacity-building service providers. "The cohort gave us an opportunity to learn with others who are undertaking similar structural and cultural shifts," Ellis said. "In the spirit of transparency and co-learning, we shared our revised compensation framework with several people in the program."

Other examples of how the service providers learned from one another included participating

"We have not previously received funding that is not directly tied to designing offerings for our clients. We ourselves are a nonprofit, so we don't have a lot of resources to put into our own capacity. Having some dedicated funds to invest in ourselves has been tremendous."

— Mikaela Seligman, executive director, AchieveMission

in trainings by other providers to advance learning, sharing resources with one another, and accessing the cohort to discuss thorny issues such as measuring the impact of racial equity capacity-building work and assessing readiness for organizations to do deep, transformational racial equity work.

Fostering Greater Coordination and Collaboration

The FUEL program includes the opportunity for capacity-building service providers to come together and learn from one another. Kresge provides funding to cover meeting and travel costs, and Community Wealth Partners plays a facilitation role. Touchpoints for service providers include a 1.5-day in-person convening and quarterly calls.

Creating the space to bring capacity-building service providers together has sparked several opportunities for coordination and collaboration. The common goal of advancing racial equity practice in the nonprofit sector drives each provider, and they are eager to share and learn together. In addition to the spaces we've

Gaining clarity on the spectrum of offerings has also helped capacity-building service providers identify some potential gaps in the field and collaborate with others to design offerings to fill those gaps.

provided, the service providers have found other ways to stay in touch with one another. They are connecting outside of the FUEL program to share learnings and questions.

There are a few things we think helped create a spirit of collaboration within this group. First, when vetting providers to work with, we prioritized those who seemed open to collaboration. Meeting in person and setting a norm of showing up with vulnerability and transparency helped providers build relationships with one another. And receiving capacity-building grants from the foundation may have helped reduce feelings of competition among providers. Cynthia Silva Parker, senior associate at Interaction Institute for Social Change, said:

One of the beautiful things about the Kresge convenings was the opportunity to build relationships and trust. Everybody in the room was familiar with most of the other organizations, and we see one another as part of the broader ecosystem. I don't think any of us came in the room looking at each other as competitors. We came together with an interesting puzzle in front of us — what would be of most service to Kresge's grantees? Coming together in that way helped us learn about our place in the ecosystem, what we do best, and how we can connect to the rest of the network. We came up with some creative ideas that were much different than the original program design. That was powerful.

Service providers reported that this time together led to the following outcomes:

1. learning in new ways and adapting service delivery to better meet people where they are,
2. identifying opportunities to expand or continue work,
3. creating new relationships, and
4. engaging in professional development opportunities.

Another benefit of spending time together is that capacity-building service providers have greater understanding of how their offerings are situated in relation to other services. This has enabled some providers to refer potential clients to other providers that might be a better fit. Said Smith, of CompassPoint,

It's unreasonable to think that one organization can do it all when it comes to covering the broad spectrum of racial equity programming needs. To do this work in a deep way, we need to understand how we all approach different slices of this work and partner with multiple providers. This cohort provides opportunities to connect the dots. We've seen that we're more aligned than we may have realized when it comes to the analyses we bring to the work. We see problems and challenges in similar ways.

Gaining clarity on the spectrum of offerings has also helped capacity-building service providers identify some potential gaps in the field and collaborate with others to design offerings to fill those gaps. For example, AchieveMission and Crossroads collaborated to co-design a cohort program focused on succession planning with race and gender at the center. Jessica Vazquez Torres, national program manager and a facilitator with Crossroads, observed:

There was a seed of mutual connection between us when we met at the in-person gathering, which then blossomed to a more targeted conversation. There was a sense that we each brought different gifts, and we were intrigued

to see what it would be like to collaborate. They were struggling with issues we knew something about, such as bringing racial equity language and framing to the work; and they had insights of areas of work we were trying to figure out, like how to work with board members, ways to design a sustained engagement over time, and succession planning.

Crossroads also formed a collaboration with ProInspire and Change Elemental to offer a 10-month learning community on operationalizing racial equity within organizations.

While the time together brought benefits to the capacity-building service providers, their collaborative thinking helped improve the design of the FUEL program's second iteration and identified opportunities for strengthening the ecosystem of racial equity service provision as well. At the in-person meeting, the service providers identified a common challenge: Some of the grantees in the first cohort did not yet have a foundational understanding of systemic racism and how it connects to their organization's work, and none of the providers offered services to provide that foundational training. The service providers recommended improvements for the second iteration to help meet these needs. Seligman, of AchieveMission, said:

We came back and said, "We have a totally different idea of how to do this." What I loved about that was that we were all coming from an orientation of what would be best for the sector, not what would be best for our individual interests.

Ultimately, Kresge was not able to make all the changes that capacity-building service providers recommended. We went into the program's second round thinking we'd be making minor adjustments, based on evaluation feedback, and we had limited bandwidth and budget to make major overhauls. We made some small but meaningful adjustments, such as offering the self-reflection questionnaire to help grantees assess their own readiness and providing scholarship funds for grantees to attend foundational trainings in the field. While this may help mitigate the challenges somewhat, we weren't

able to act on all the ideas the service providers contributed.

In our convening role, the Community Wealth Partners and Kresge teams learned some lessons from this experience about how to create space for authentic engagement of stakeholders. When the convening happened, and the capacity-building service providers offered big ideas, they came at a time that was too late in the process for the foundation to be able to make significant changes, and the proposals were beyond the scope of available resources. As a result, the modifications felt insufficient to some. Moving forward, we, as funder and program manager, are trying to be more mindful of the power we wield, look for opportunities to share that power, and be more explicit and transparent about the context of the work, its boundaries, and how decisions are made (and how we communicate them), all in service of our shared vision of creating a stronger system of support for nonprofits. Said Seligman,

When we left that meeting, we were all on this kind of high; and then we learned they're not really going to change the program, and there was a deep sense of disappointment. That's when some of us said, "What can we do within the boundaries of this?" And we began to make some small changes.

We've also heard feedback from capacity-building service providers that they'd like to see more active engagement from Kresge in the conversations. Community Wealth Partners, as program manager, has been positioned as the primary contact for service providers, both to try to mitigate funder-provider power dynamics and due to capacity challenges for foundation staff (there is no full-time, dedicated staff supporting the FUEL program at the foundation). While service providers have expressed appreciation for the role Community Wealth Partners has played, they've also said they'd like to see Kresge staff more actively involved. Capacity-building service providers desire more opportunity to be in relationship with foundation staff for continued discussion and learning about how to make the FUEL program stronger and ways to advance the

“Foundations have to do the work themselves to fully understand the beauty of this work and what it can do to transform leadership.”

— *Kad Smith, project director,
CompassPoint Nonprofit Services*

broader work of advancing racial equity capacity in the nonprofit sector as well.

Advancing a Vision for a Stronger Ecosystem

Capacity-building service providers are a critical part of the ecosystem in which nonprofits operate, so their effectiveness matters. Foundations can help strengthen this ecosystem by investing in service providers’ organizational capacity and creating space for them to learn from each other and explore possibilities for coordination and collaboration. Funders investing in the capacity of capacity-building service providers should consider the following recommendations:

- For foundations investing in strengthening the ecosystem of racial equity providers, work to build your own racial equity capacity. Said Smith, of CompassPoint,

Foundations have to do the work themselves to fully understand the beauty of this work and what it can do to transform leadership. Foundations need to grapple internally with some of their ways of working that are rooted in white supremacist, patriarchal culture. When foundations try to support racial equity work in grantees without doing the work themselves, there will be deep fractures.

- Engage capacity-building service providers in the design of what you’re offering. They have unique perspective and expertise on sector needs. Supports targeting their capacity should be responsive to their needs and

requests as well. “Engage potential providers early in the process of designing your capacity-building strategies and programs,” said Parker, of the Interaction Institute for Social Change. “Don’t wait until you’re finished to engage them in implementing what you’ve designed.”

- Consider the role a foundation can play in matching nonprofits with capacity-building service providers. Service providers and nonprofits agree that this is a valuable role for foundations if done well. Look for ways to add value to grantees by helping them find and vet service providers — but balance that with allowing grantees and service providers voice and choice in the process.
- Use your convening power to provide opportunities for connection among capacity-building service providers. Creating space for service providers to learn from one another and explore opportunities for coordination and collaboration is another way to invest in their capacity. Vazquez Torres, of Crossroads, observed,

Being in work that is fee-for-service or grant dependent means that you’re often isolated. The FUEL program provided a place of collaboration, learning, and camaraderie across a set of shared commitments to notions of equity from organizations that normally would compete with each other for the same RFPs or who would be passing each other because we exist in this parallel world.

Funders should be mindful of their role and power dynamics when playing this convening role. Consider when your presence will be helpful and when it might be better to step back.

- Provide funding for capacity-building service providers to invest in their own organizations. The nonprofit sector is a price-sensitive market and, like nonprofits, service providers in this space are often operating on thin margins and don’t have abundant resources to invest in their own capacity beyond direct grant dollars.

Providing funding to support their capacity signals trust and respect from foundations and helps strengthen the marketplace of service offerings available to nonprofits.

Capacity-building service providers share a common vision — to help strengthen the nonprofit sector for greater social impact. When service providers have resources to invest in their own effectiveness and opportunities to share with and learn from other providers, they are better positioned to advance this vision. For foundations working to strengthen the social sector through nonprofit capacity building, supporting the capacity of capacity builders is critical for ensuring the overall health of the nonprofit ecosystem.

Caroline Altman Smith, M.A., is deputy director of The Kresge Foundation’s Education Program.

Carla Taylor, Ph.D., is a director at Community Wealth Partners.

Correspondence concerning this article should be addressed to Lori Bartczak, Senior Director of Knowledge & Content, Community Wealth Partners, 1825 K Street, NW, Suite 1000, Washington, DC 20006 (email: lbartczak@communitywealth.com).

“Being in work that is fee-for-service or grant dependent means that you’re often isolated. The FUEL program provided a place of collaboration, learning, and camaraderie across a set of shared commitments to notions of equity from organizations that normally would compete with each other for the same RFPs or who would be passing each other because we exist in this parallel world.”

— Jessica Vazquez Torres, national program manager and a facilitator, Crossroads