

Secure Your Oxygen Mask First: A Lesson in Nonprofit Organizational Capacity Building

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This post is one in a series written by nonprofit leaders who will be presenting sessions at the [2017 BoardSource Leadership Forum](#). We hope you will be joining us in Seattle, October 18-20.

On every commercial airline before takeoff, passengers receive rote instructions on flight safety:

“If you are travelling with a child or someone who requires assistance, secure your own oxygen mask first, and then assist the other person.”

This might seem counterintuitive, especially for human services leaders whose professional prowess is putting those in need before themselves. And yet, securing your oxygen mask first is the most effective way to help others.

This concept — helping yourself before helping others — is a valuable lesson and one that nonprofit leaders should imbue into their organizational framework. An organization can't be an effective and lasting service provider if attention to its basic health and well-being is constantly deferred.

Organizations must secure their own oxygen masks. How? By focusing on sustainability first, and then increasing impact.

Shifting Priorities: Sustainability before Impact

“Building organizational capacity” is a buzzword promise many of us splash across our communications, marketing collateral, strategic plans, etc. Agencies across sectors emphasize the importance of building organizational capacity as part of strengthening social service delivery and ensuring sustainability. In recent years, nonprofit boards have made capacity building a keystone of strategic planning initiatives. But despite its reputation as an indispensable goal, building organizational capacity remains an abstract ambition for many organizations, and it competes with other high-priority initiatives, such as developing new programs to create further impact.

The current outcomes-obsessed funding model has organizations wired toward making investment decisions based on clearly defined and fast deliverables that demonstrate impact. But the reality is, impact is fleeting. Increasing an organization's impact does not guarantee sustainability. The constant expansion of new programs too often puts an organization's core health — its financial stability — at risk, and the money meant to fund new programs ends up having to fill the gaps caused by neglecting internal infrastructure and financial health.

Something's got to give. An organization's life shouldn't depend on the next grant cycle. Sustainability relies on an investment in organizational capacity building, beginning with basic organizational needs.

Earlier this summer, Bridgespan and the Ford Foundation issued a report in [Stanford Social Innovation Review](#) that highlights the struggles faced by nonprofits forced to put most of their cash into programming and expansion, because of the way grants are structured. The study reflects a strong consensus by nonprofit leadership that organizational resilience is based on financial health. This means having sufficient unrestricted net asset balances (money *not* allotted by donors for a specific purpose) put aside, allowing organizations to adequately address critical strategic issues that come up throughout the year. The following is a quote from a nonprofit CEO who was a part of their study:

“One of the most profound differences between living close to the edge versus having adequate reserves is on the management culture of the organization—the constant vigilance required to make sure the organization is “okay,” punctuated by frantic fundraising to fill holes. It is a corrosive dynamic that eats away at the whole organization, diverts attention from the core work, and is frankly emotionally exhausting.”

Historically funders haven't funded core capacity-building functions, so organizations aren't privy to articulating these kind of needs. In conjunction with their report, Bridgespan and Ford Foundation unveiled the wonderfully simple [Grantmaking Pyramid](#) to help reframe the way grantees and funders talk about building strong resilient organizations. The pyramid is a hierarchy of organizational needs, starting with strong foundational capabilities and resilience based on financial health, and building upward toward an organization's core impact proposition.

Components of Organizational Capacity

An organization must reflect upon its long-term needs as well as outcomes when creating a strategic plan. It must also consider the many components of organizational capacity. The following are vital components that contribute to an organization's success.

Mission, vision, and strategy are the driving forces that give the organization its purpose and direction. Organizations need regular self-reflection and planning to

make sure that current strategies remain aligned with its mission. Involving stakeholders as part of this dialogue is key as they'll help ensure the mission and programs remain valuable to the community.

Organizations should participate in **strategic alliances and partnerships** that advance their goals and expand their influence.

Governance and leadership represent the lubricant that keeps all parts aligned and moving. The organization's governance and leadership need to be engaged and representative, with well-defined governance functions. They should move comfortably between fiduciary responsibilities and strategic and generative thinking. Governance and leadership are responsible for establishing a culture of continuous performance and quality improvement. The organization's governance and leadership is alert to changing community and external/internal environmental needs and realities.

Nonprofits need people in leadership positions who are committed to making capacity building a part of the organization's culture. Capacity building involves securing funds for basic overhead, establishing sound management practices, and participating in ongoing assessment of goals and strategy. Ultimately your impact will be greater by expanding your lens and focusing on the future of your organization.

So remember, put your oxygen mask on first, before helping others. By doing so, you'll be of greater service to your entire community.