STEP 5:

Gauge your capacities

Throughout this framework, your community foundation's *capacities* (present and future) have lurked and lingered on each page—an implied necessity or explicit category for each and every step in building an engine for rural endowment. This section will not (and cannot) articulate every conceivable capacity related to building rural endowments in and for your service area. What it can do is help your foundation get those pesky organizational capacity issues on the table, by helping you make *explicit* the capacities you will need if your community foundation is to build rural endowments to positively influence rural community vitality.

Remember the core

Decision-making capacities. Regardless of the tactics you choose—and before beginning work on a particular goal—a few core capacities will be necessary conditions for building an "engine" for rural endowments.

The prior steps in this framework asked you to learn about yourself, your environment and your market position, all of which *implied* certain core capacities. Your initial attempts to work through the first four steps in this framework undoubtedly uncovered a few gaps in your organizational capacities. It may have even unearthed a few latent disagreements about the business you are in, the values you share, and your vision for the foundation's future. You probably had a few really interesting conversations. Great!

This process actually may have helped build a few of the core capacities your community foundation must have, regardless of the goals you have and the position you hold. If you have worked through Steps 1-4, you are now able to answer *affirmatively* a few key questions related to core capacity:

■ Are you able to gather and analyze data about the rural community, donors and yourself?

■ Can your staff, board and other stakeholders work together to determine a shared understanding of yourself, your environment and your market position?

■ Can your staff, board and other stakeholders strategically and intentionally position itself in its own service area and within the endowment-building market?

■ Can your staff, board and other stakeholders set goals that reflect this shared understanding?

These core capacities reflect the trust, cooperation and shared vision that *run* the decision-making engine of your community foundation.

Operating capacities. In addition, Steps 1-4 likely pointed out a few key *operating* capacities that were either fully functional or in need of a tune-up. Don't panic. Community foundation operational capacities develop over time and correspond to the foundation's age, assets, staffing and other unique circumstances. As they say, *Rome was not built in a day*. But don't ignore those nagging little voices either. The core operations, policies and procedures required for a community foundation to perform its daily work should be in strong working order to support your endowment-building engine. Remember, without these, you likely will never build an *engine for rural endowments.*

So, imagine that a few multi-million dollar donors walk through your door today ready, willing and able to establish endowed funds for a few of your most compelling and economically challenged rural communities. One wants to set up a region-wide scholarship with an advisory committee made up of students, teachers and civic leaders. Another wants to anonymously found an area fund with a $500,000 gift. She wants an advisory committee that will designate its own grantmaking guidelines and raise local funds to bring the fund to $1 million. Obviously, you are ecstatic; but does your community foundation have in place the core capacities needed to accept these gifts and serve both the communities *and* the donors well? (We've actually known some community foundations that have had to face this question and answer "Not yet!")

No need to re-invent the wheel here. The Council on Foundations (www.cof.org) has developed a set of National Standards for Community Foundations that provides a very careful and straightforward checklist of the policies, paperwork and procedures that make a community foundation, well, *a community foundation*. From gift acceptance policies to tax filings to annual audits, this document will help your community foundation get your ducks in a row before the golden goose comes knocking. Here's where to get it: http://www.cof.org/whatis/types/community/index.htm.

Going to market

Positioning. Back in Step 3, your community foundation determined your current market position. You then developed a "desired market position" within the context of four prevailing community foundation market positions emphasizing community vitality, nonprofit vitality, regional vitality or donor services *(See Step 3 Matrix).* Each prevailing position then suggested a set of budgetary, board, development staff and program staff capacities that would support that position. You might want to review the sections of

the matrix related to operating costs, board make-up and capacities, development staff capacities and program staff capacities to help you get into the positioning capacities mindset.

Whether your aim is to strengthen your existing position or to re-position the community foundation entirely, the precise and relevant capacities associated with your desired position were a key aspect of this discussion. For example: You have chosen to position the community foundation to emphasize *regional vitality*, but currently enlist board members only from your region's hub city. You may need to increase your board's capacity to understand and provide regional leadership—through actual board make-up or educational efforts or some other means that will support your foundation's re-positioning.

By working through Step 3, you gathered some keen insight into what it will take to improve or change your community foundation's positioning. Remember, participants were asked to name: *"Two Things That Would Help Us Get There…"* These two things are the capacities each of you think will help you achieve your desired market position. Combine everyone's answers to this question in one place and then,

■ Designate each item on your collective list of all the *"Two Things"* according to five main categories:
- ■ Operating costs or budget
- ■ Board make-up or capacities
- ■ Development staff capacities
- ■ Program staff capacities
- ■ Other?

■ Arrange each of the items on your list across the chart below according to whether these are capacities you:
- ■ already have "in-house" (but may not have discussed in this context)
- ■ do not have "in-house," but *should* build this capacity in-house
- ■ do not have or need "in-house," but could hire temporarily, borrow or contract for
- ■ might not be relevant now…but keep in mind just in case!

In some cases, you may have some of the capacity "in-house" that you need to achieve your desired positioning, but it may need a little re-tooling or some special TLC to be a source of pride. Use the chart to note these facts. You might even rate the effectiveness at certain things on a scale of one to five. For example, a community foundation might have a website where donors can learn more about the foundation and ways to give. But, will it allow donors to view their fund statements or actually give to their fund on line? Perhaps not…so, while you consider the website an "in-house" capacity, you might rank it at two or three out of a possible five.

CHART 1: OUR MARKET POSITION CAPACITIES

Market position: _____

Positioning capacities	Already have in-house:	Need to acquire in-house:	To hire, borrow or contract:	Might not be relevant—but keep in mind:
Operating costs or budget				
Board make-up and capacities				
Development staff capacities				
Program staff capacities				
Other				

The completed chart will give you a sense of the capacities you already have—always a confidence booster—as well as the ones you will need to go get. The chart will also designate the specific areas of the foundation (budget, board, staffing) that either have the greatest capacity or require a bit of capacity building if you are to be successful. Finally, the chart should help you identify action steps aimed at staffing areas, board development and/or the operating budget that you know you really need—because they are based on careful consideration, deliberate positioning and a specific endowment-building goal.

Goal and tactics. And, speaking of endowment-building goals, now is the time to review the working goal you developed at the conclusion of Step 3 and the tactics you selected in Step 4. Fill in the blanks here one more time:

> *To build rural endowment and enhance rural vitality, we will raise _____ dollars from _____ donors (number and type) through _____) type/mix of funds over _____ time.*

This goal emanated from your market position or desired position, named specific donor targets, as well as the types of funds and timeframe for developing them. Using this goal, you then deliberately selected a few or possibly several tactics that you believe will result in contributions to existing rural endowments or perhaps brand-spanking-new ones. Before beginning to pursue these tactics, however, it will be wise and fruitful to ensure that your community foundation has *at the ready* the capacities needed to implement your chosen tactics.

For this chart *(see Chart 2, "Our Tailored Tactic Capacities"),* half your work is already done! As you will note, every tactic in Step 4 included a list of "helpful capacities" of which one or more is likely to be necessary to implement this tactic. For example, here's the list from *Tactic 2: Sponsor exclusive events:*

Helpful capacities:

- Event planning expertise
- The right guest list: people/homes that others admire, envy or aspire to be
- Group of similarly situated high wealth individuals to invite
- The "right" individual willing to host an event
- Inspiring community foundation representative who briefly and deftly describes difficult-to-grasp ideas: endowment, community-building, etc.
- Ability to follow up event with a specific request for a gift or "the ask"
- Pre-planning: what is the goal, what is the message, who is the audience
- Helps to have a gift or challenge to announce or if a large gift can be announced

Your task is simply to relate these capacities to your own use of the tactic, your own organizational capacities (or needs), and the resources you will call upon to carry out the tactic.

- Begin by re-writing the tactic by tailoring it to your own specific context.

  For example: *Sponsor exclusive event* might become: *Sponsor wine tasting at the home of prominent board member's vineyard.*

- Then, transfer the "helpful capacities" associated with the tactic you've chosen to the middle column of the chart, keeping in mind that while you may not need to do *everything* on the list, it's not a bad idea to consider everything. And, in fact, you are likely to add a few more depending on the specifics of your situation or goal.

- Now, consider each item in the middle column and whether you have the capacity in-house to complete it or whether you'll have to look outside to get it. Draw an arrow from the middle column to whichever is true for that item (that is, to the left for *In house*, to the right for *Hire, Borrow or Contract.)*

CHART 2: OUR TAILORED TACTIC CAPACITIES

Tailored tactic: _____

In-house capacities Who or what's responsible	⟷	Helpful capacities needed (from step 4)	⟷	Capacities to hire, borrow or contract Who or what's responsible

So, if your wine tasting event will require "Event planning expertise" and the executive assistant of your foundation spent ten years as an event planner, draw an arrow from "Event planning expertise" toward "in-house" capacity.

■ Then—and this is key, especially when it comes to evaluating your efforts later on—in each case where you have drawn an arrow (*In-house Capacities* or *Capacities to Hire, Borrow or Contract),* write in the name of the staff person, board member, friend of the foundation, system or budget line item responsible for that capacity.

To continue the example, on the line with "Event planning expertise," you have drawn an arrow toward "in-house" capacity, now in that column, write: Executive Assistant (note: 10 years event planning experience).

Note: If you have identified the "slush fund" as responsible for "funds to cover event costs," include the key staff or board member that must approve use of these funds.

■ Continue with each of the capacities, being sure to add others that are critical to your specific adaptation of the tactic.

Charts for every tactic you plan to use should be completed. Once you have completed the charts, begin to compare and analyze which tactics would be the best match with your community foundation's current or easily acquired capacities. When considering each tactic, keep in mind the individuals listed as "responsible." Tactics that will draw heavily on the time of one or two particular staff or board members may need to be spaced out or prioritized. Identify and agree upon the one, two or several tactics that are best suited to your endowment-building campaign.

Now is the time to bring together the *implementation team* or *teams* (if you have several tactics occurring at once). These teams may differ (although probably not totally) from what has to this point been a *planning* team. To select implementation teams, return to your completed charts and convene those who were listed as "responsible" in the right or left columns. These teams will begin in earnest the teamwork required to implement this tactic. To help ensure accountability, keep the team on track and report and evaluate the results, a team leader for each tactic might be useful.

Now you are ready for *Step 6!*