



Bruce Weber is founder and president/CEO at Weber Group.

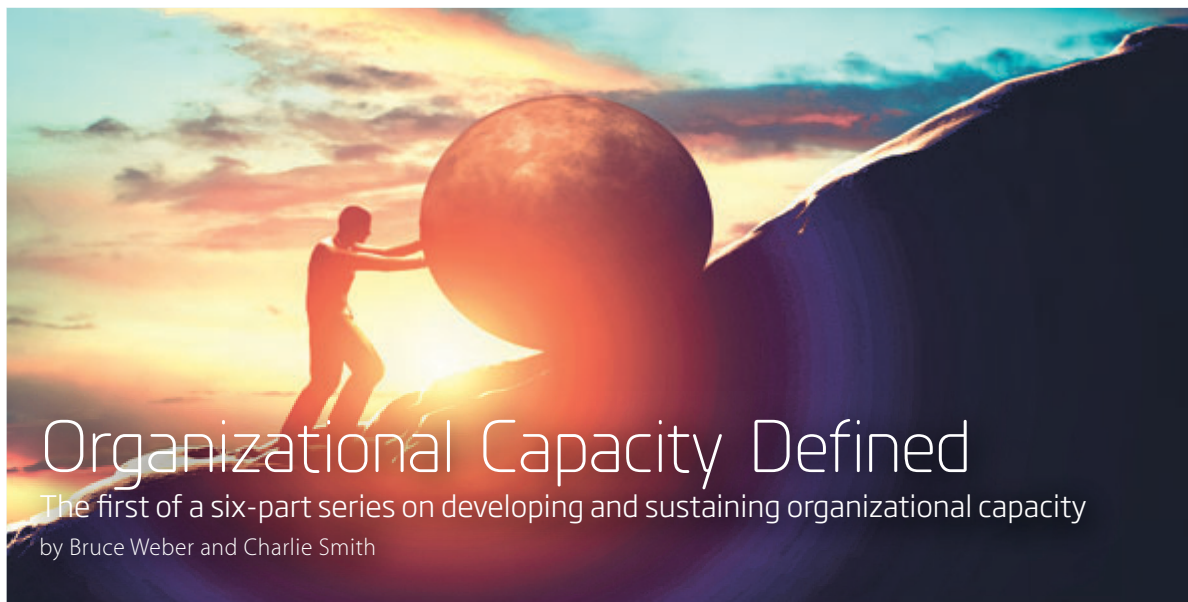
Weber brings more than 20 years of experience to the for-profit and nonprofit community, working with startup, growth and mature organizations. His focus is in strengthening organizations through strategic planning, organizational development, leadership and board development. He is a BoardSource Certified Governance trainer and a founding partner of the Nonprofit Lifecycles Institute.

Shift happens. Change management and capacity building should be center of every high-performance team's strategic agenda. According to Grant Makers for Effective Organizations, "Organizations should keep the 3 Cs in mind when undertaking capacity building: Make it contextual, continual and collective."



Charlie Smith is managing partner at the Weber Group.

Smith brings decades of experience in the financial services industry, including an extensive background working within organizations to develop high-performance teams. His focus is working with nonprofit CEOs, executive directors and board chairs to build smarter high-performance organizations focused on strategy and execution. He is a BoardSource Certified Consultant, a certified 6 Sigma Black Belt and a Master Black Belt in planning. [webergrouppinc.com](http://webergrouppinc.com)



# Organizational Capacity Defined

The first of a six-part series on developing and sustaining organizational capacity

by Bruce Weber and Charlie Smith

▶ These days, businesses are often exhorted to build organizational capacity, but what does that really mean? There are many definitions of "capacity," but in simple terms, an organization's capacity is its potential to perform — its ability to successfully apply its talent and resources to accomplish stated goals and satisfy stakeholder expectations. Capacity is the engine that drives performance and makes it possible for an organization to meet its goals and achieve its overall mission. Simply put: Capacity = Ability to Perform.

Understanding capacity is critical because shift within an organization happens. Disruption is a 21st century reality. Organizations must be nimble and leadership must be paying close attention and be adaptive. Building capacity must be intentional and deliberate. Leaders can learn to create culture and systems that encourage people to focus "on the business" rather than always working "in the business." It is far too easy to become entrenched in the day-to-day activity and neglect to step back and look at the larger vision of what the business needs to thrive. We are often caught up in the "operational whirlwind," a phenomenon in organizational life — running from one reaction to the next. There is often too little focus beyond the immediate.

There are a few good reasons why this dilemma exists.

Sales, back office, accounting and finance exist in functional silos. While this approach may work for a time and seems to be an effective way to create value and distribute assets and resources, this type of structure will also create barriers. What works best for sales may not fit well with finance and vice versa. Silo structures focus on the present as they are typically based on historical cost accounting measurements. That is easily understood. "1+1=2" is easy to comprehend. Working on the present seems like the right thing to do because it is often the most urgent. But urgent and mission critical are not always the same thing. An orientation to the future is a call to rise above the daily grind and have the capacity required when opportunity arrives.

Creating a capacity-building organization begins with

creating a collaborative culture and building mechanisms that reward innovative, forward-thinking and adaptive behaviors. It is critical, early on, that the team identify the business-critical success factors that lead to opportunities for improved process throughout the organization. This process will also be influenced by where the organization is in its life cycle. Startup organizations typically have different requirements from those in growth or maturity. Looking holistically at the lifecycle stage of the organization allows for more informed decisions based on fact rather than conjecture. This approach lets one make informed investments in the areas with the greatest impact in moving the business forward while having the greatest impact on those the organization serves.

The model we use for capacity building consists of four elements: intent, culture, process and innovation. Intent is passionate and engaged leadership alignment to the mission and vision; the why of the organization's existence and efforts. Culture is an open dynamic environment that encourages active participation from all stakeholders; the who that defines various roles of the humans carrying out the work of the organization. Process is adaptable methods and formats that provide freedom with a framework; the how the work gets done. Innovation is the nimble strategic framework that spawns regeneration; the wow that keeps energy high, commitment strong and the work meaningful; the future. Carsten Tams, a Forbes contributor and blogger, writes, "The challenge companies face is no longer to force discrete change projects through the organization every few years. Instead, they must loosen bureaucratic structures and expand and accelerate their adaptive capabilities. To sustain success, organizations must develop excellence in continuous renewal as part of their operating DNA."

Business owners and nonprofit leaders, alike, should start thinking about their organization's future today, and challenge the leadership team to bring the concept of capacity — its ability to perform — into strategic conversations now. ■

