



USAID
FROM THE AMERICAN PEOPLE



The Organizational Assessment Tool:

A field guide to analyze organizational effectiveness

USAID: Institutional Capacity Building Grant

AFP-A-03-00009-00; FY 2006

October 2006

Table of Contents

List of Acronyms..... iv
Grant Summary..... v
Acknowledgements..... v
Additional Capacity Assessment Resources..... v
Contacts..... v

The User Guide

I. Introduction..... 1

II. OAT Outline..... 2

 1. Organizational Classification & Goal Identification..... 2

 2. SWOT Analysis..... 3

 3. Questionnaire: The Framework..... 5

 i. Institutional Resources..... 6

 a. Human Resources – Planning..... 6

 b. Physical & Financial Resources + Systems 7

 c. Intellectual Capital – Knowledge Management 7

 d. Legal Structure..... 8

 ii. Institutional Performance..... 8

 a. Operational Results..... 8

 b. External Relationships..... 9

 c. Quantitative Financial Indicators..... 9

 iii. Scoring: Quantifying questionnaire results..... 10

 a. Graph 1: Category/Subcategory weighted averages..... 12

 b. Graph 2: Ranges determining strengths/weaknesses..... 12

III. Information Gathering..... 13

 1. Requirements..... 13

 i. Data Collection..... 13

 ii. Assessor Background & Experience..... 13

 2. Suggested Methodologies..... 14

 i. Individual Interviews..... 14

 ii. Group Interviews/Focus Groups..... 14

 iii. Documentation Review..... 14

 iv. Direct Observation..... 15

The OAT: A Practical Field Guide

I. Organizational Classification & Goal Identification..... 16

II. SWOT Analysis..... 17

III. Questionnaire:	18
a. Institutional Resources.....	18
i. Human Resources – Planning.....	18
ii. Physical & Financial Resources + Systems.....	20
iii. Intellectual Capital – Knowledge Management.....	22
iv. Legal Structure.....	24
b. Institutional Performance.....	25
i. Operational Results.....	25
ii. External Relationships.....	26
iii. Quantitative Financial Indicators.....	28
IV. Overall Questionnaire Scoring Summary Sheet.....	31
V. Annex 1: Data Collection Record Sheets.....	32
a. Annex 1.1 – Human Resources, Planning.....	32
b. Annex 1.2 – Physical & Financial Resources + Systems.....	33
c. Annex 1.3 – Intellectual Capital – Knowledge Management.....	34
d. Annex 1.4 – Legal Structure.....	35
e. Annex 1.5 – Operational Results.....	36
f. Annex 1.6 – External Relationships.....	37
g. Annex 1.7 – Quantitative Financial Indicators.....	38
VI. Annex 2: Assessment Check-list.....	39
VII. Annex 3: The Organizational Lifecycle.....	40
VIII. References.....	41

List of Acronyms

AID	US Agency for International Development
ACDI/VOCA	Agricultural Cooperative Development International/Volunteers in Overseas Cooperative Assistance
CFO	Chief Financial Officer
CTO	Chief Technical Officer
FFD	Food for Development Division (ACDI/VOCA)
FFP	Office of Food for Peace (USAID)
HR	Human Resources
IC	Intellectual Capital
ICB	Institutional Capacity Building Grant
IT	Information Technology
M&E	Monitoring & Evaluation
MFI	Microfinance Institution
MOA	Ministry of Agriculture
MOI	Ministry of Interior
MOU	Memorandum of Understanding
NGO	Non-Government Organization
OAT	Organizational Assessment Tool
PR	Public Relations
PVO	Private Voluntary Organization
R&D	Research & Development
SWOT	Strengths, Weaknesses, Opportunities, Threats

Grant Summary

ACDI/VOCA was awarded a five year Institutional Capacity Building (ICB) grant by the United States Agency for International Development's (USAID) Office of Food for Peace (FFP) in September 2003 for the FY2004-FY2008 period. The award is ACDI/VOCA's third such capacity building grant for its food security programs, and is managed by the Food Security and Specialty Crop portfolio. The purpose of the grant is to enable ACDI/VOCA and the NGO community to enhance capacity for effective implementation of Title II food security programs.

Acknowledgements

The author would like to extend significant gratitude to all those who have assisted in the development of the Organizational Assessment Tool (OAT). Specifically, contributors include Thomas Gibb, Suzanne Berkey, Piero Gonzalez, Avram "Buzz" Guroff and Ed Pons.

Further thanks must be duly extended to USAID, Office of Food for Peace for their continued support of Capacity Building as a means to improve Food Security Programs in the most vulnerable of populations.

Contacts

If there are any questions concerning the methodology, framework, or other technical components of the Organizational Assessment Tool (OAT), please contact the Food Security and Specialty Crop portfolio at ACDI/VOCA:

Piero Gonzalez
Email: PGonzalez@acdivoca.org
Direct: +(1) 202 879 0235

Additional Capacity Assessment Resources

The ACDI/VOCA Food for Development field team in Cape Verde has developed a tool specifically intended for assessment of associations. If interested in this specific assessment area, please contact Adam Keatts or Piero Gonzalez for additional information.

THE USER GUIDE:

I. Introduction

The primary function of the Organizational Assessment Tool (OAT) is to provide ACDI/VOCA and the NGO community with a practical guide to identify strengths and weaknesses in institutional effectiveness of a general universe of local organizations around the globe. The OAT is not a risk assessment survey; rather, it will provide a comprehensive understanding of a broad range of organizations worldwide, isolate functional weaknesses and develop a point of reference to build long-term indigenous capacity going forward. By providing a thorough assessment designed to identify both strengths and weaknesses, the groundwork to improve those weaknesses is established.

The OAT methodology is a collaborative effort between the assessor, target organization management, staff, beneficiaries, stakeholders and the community; encouraging meticulous scrutiny of past operations, current activities and future goals. Upon conclusion of the assessment, if conducted thoroughly, the target organization will understand its own strengths and weaknesses; the assessing organization will be familiar with the fundamental strengths and weaknesses; and Monitoring and Evaluation (M&E) assessors going forward will possess an accurate organizational baseline reference point to measure future progress.

The OAT is designed to identify areas of operational importance for a multitude of different types and sizes of organizations worldwide; consequently, it is important to understand that it would not be possible to provide an exhaustive list of queries that would directly apply to technical operating details of every organization across the globe. Rather than provide industry specific, technical assessment queries, the OAT identifies general variables which are important to a broad range of organizations – across industry lines. Regardless of industry focus or organizational structure, the OAT assessment is intended to focus on those organizations committed to becoming financially viable through operational means striving for independence from perpetual short term funding. ACDI/VOCA believes strongly that development activities are benefited by those organizations determined to prove that the service/s being provided is/are not only economically and socially beneficial, but also possess long-term operational and financial sustainability.

The framework of this tool relies greatly on the assessor's attention to detail and willingness to provide as much of this detail as possible throughout the assessment. Questions of universal operational relevancy have been identified, and the final scoring hinges on the assumption that every question throughout the assessment will be completed as thoroughly as possible. Much of the required information may be difficult to obtain, especially when concerning nascent grassroots organizations. In the event of unavailable information, it is imperative that the corresponding question is answered according to the scoring overview detailed in section II.3.iii, and not left blank. Unavailable information typically illustrates poor reporting and/or formal documentation of activities/operations, and therefore represents a weakness in institutional capacity which must be adequately recorded.

To further ensure a comprehensive analysis, the assessor is encouraged to consistently provide commentary and detailed examples under the column entitled “Comments/Examples” in each query throughout the questionnaire. This section is intended to supplement the quantitative scoring method with qualitative reports from the assessor. The OAT methodology therefore relies on a strong qualitative report under each query in order to provide a complete baseline study of the target organization. Various suggested methods for gathering information are detailed below in section III of the User Guide.

The OAT framework consists of three main steps: Goal Identification, SWOT Analysis, and the Questionnaire. Goal identification and SWOT Analysis will be discussed further in Sections II.1 and II.2 of The User Guide respectively. A detailed outline of and guidance in completing the Questionnaire can be found in section II.3 of the User Guide, explaining the framework and methodology. The Scoring System rationale will be detailed in Section II.3.iii of the User Guide. The stages of the OAT are interdependent, and any final assessment should consider quantitative and qualitative indicators, both in relation to the established organizational objectives. Therefore, the overall organizational assessment is intended to be a culmination of the three step process on which the OAT is designed.

II. OAT Outline

II.1 Organizational Classification & Goal Identification

Because the OAT is intended for use amongst a general assortment of organizations, the main objective of the first section of the OAT is to frame the target organization. First, it is necessary to define the type of organization being assessed, then to drill down into the short and long term goals. Identifying these variables provides a platform on which the assessment going forward should stand. This section identifies the context through which responses throughout the questionnaire should be answered. The snapshot created is an introduction to the organization consisting of: 1) organizational focus; 2) legal structure; 3) age; 4) mission statement; 5) activities; 6) outputs/objectives.

Relevant inputs and performance measurements in later sections should be calculated and/or determined in reference to the six aforementioned classifiers. Assessing an organization’s potential for sustainability is contingent upon its performance; measuring performance is contingent upon its outputs relative to its goals; and defining goals is dependent upon the structure/framework of the target. The goals will be the benchmark by which the organizational assessment is conducted and the baseline for M&E going forward.

Without measurable, verifiable objectives and timeframes M&E is not possible. With small nascent organizations, it is highly probable that a mission statement, quantifiable objectives/outputs and timeframes have not yet been identified. In this event, the OAT should be a collaborative effort between assessors, target management and employees to identify verifiable and measurable goals within a distinct timeframe to serve as reference points for organizational assessment and future M&E. In many instances, the OAT requires the assessor to solicit as

much detail as it is possible for management to accurately provide, especially information about long-term goals and short-term objectives.

After defining the operational focus, legal structure and age, the assessor will need to identify the details of the following:

- The ***Mission and Vision*** is the identification of the operational purpose and the desired long-term strategic goals. Specifically, The Mission of an organization is its purpose; its operational focus. The Vision is an assessment of where management wants to be, or what it wishes to accomplish over the next 10 years. Identifying the Mission and the Vision should contain qualitative operational goals, and quantifiable targets within a specific timeframe.
- ***Activities*** should include a list of specific tasks being undertaken by the organization in order to achieve their vision.
- ***Operational goals and desired outputs*** will outline the estimated results of the aforementioned activities. These should include quantifiable and verifiable results, depending on the type of organization. The following are examples of verifiable outcomes: membership growth % in x months, loan repayment rate among $x\%$ borrowers over y years, x metric tons of produce sold in y months, or # of beneficiaries serviced in y months.

Often, a nascent organization will require assistance in how to answer these questions, or how to develop reasonable goals over a specified time period; however, while cooperation and assistance is encouraged, the assessor should not provide the information to the organization. In completing this section, it is important that the assessor extracts/elicits this information from sources associated with the target organization in a collaborative/participatory manner.

II.2. SWOT Analysis – Qualitative Assessment of the Internal & External Environment

A SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) is a common method utilized in the private sector in order to stimulate an organization's understanding of its current market positioning and to develop a conceptual framework for processing the variables affecting the organization's potential to succeed. The SWOT analysis is not a stand-alone assessment. It is designed as an introductory analysis to generate ideas and supplement the Questionnaire's focus on specific operational variables. It is mainly used as a brainstorming tool to identify internal and external factors affecting an organization's ability to meet its goals. More so, it is a starting point for an organization to develop a comprehensive strategy to effectively meet its goals. The SWOT analysis is a qualitative assessment of the current state of affairs and future expectations in relation to the established Mission and objectives, generated by the assessor in collaboration with the organization's management and staff.

Facilitation: Once goals have been clearly identified the assessor assumes the role of facilitator of the SWOT Analysis, encouraging management and staff to undergo a process of institutional introspection and broad market analysis. The process will normally be conducted in the form of

a group meeting with management and staff in which the assessor presents the SWOT matrix (image 1, section II of the OAT), opens the floor to dialogue and records participant responses.

There is considerable literature and detailed guidance on SWOT analyses available via the internet. The assessor should possess a certain level of familiarity with a SWOT analysis, as it is quite a common method of strategic brainstorming; however, below is an abbreviated overview of the SWOT method, briefly outlining the variables which should be discussed according the order presented below.

- 1.) Internal Strengths inquiry: Ask participants what they think are the organization's strengths. What have beneficiaries and/or customers cited as the organization's most valuable qualities? Mainly, responses should reflect the strongest in-house traits which advance the organization's mission and enable goals to be met. These can include an array of potential responses including but not limited to: well trained staff, superior technical knowledge, excellent reputation, access to technology, significant revenue from operations, strong marketing skills, ample physical assets or a strong credit rating.
- 2.) Internal Weaknesses Inquiry: The facilitator should now expand the discussion to outline the organization's weakest internal characteristics. Reminder: These are not market weaknesses, or any other external variable – the question concentrates simply on internal limitations. In other words, which characteristics act as obstacles to achieving expectations? Possible responses may include, but are not limited to: poor information technology (IT) capabilities, poorly trained staff, high cost/revenue, high employee turnover, poor credit rating, no marketing efforts to expand membership.
- 3.) External Opportunities: The facilitator will now explain to participants that the discussion focus will shift to describing the external environment in which the organization is operating. The goal is to provide a framework to analyze the external environment by asking participants to list characteristics of the market in which they operate. These can include characteristics of the political, social, technological, environmental, and/or economic landscape. The facilitator must now evoke from participants the external traits seen as opportunities for organizational growth and success going forward.
- 4.) External Threats: Continuing with the discussion on the external environment, the facilitator should now pose additional questions relating to political, economic, social, and technological factors which are threats to the organization's mission. Possible questions may include, but are not limited to: Is demand for your service/product increasing or decreasing? How supportive of your organization is the local and/or national government? What kind of competition does the organization face? Do climactic changes affect your service/product – and what are the climactic expectations going forward? Is infrastructure deficient? Is the value-chain disjointed?
- 5.) Follow up Discussion Questions (also found in Section II):
 - How can the organization leverage its strengths, and improve upon its weaknesses?
 - How can the organization mitigate external risks and profit from opportunities?
 - Can short-term goals be achieved under present circumstances?

Below is an abbreviated example of what a SWOT Analysis may look like:

<u>A. Strengths</u>	<u>C. Weaknesses</u>
1. Technical expertise	1. Rigid management
2. Strong revenue growth	2. Unresponsive to market changes
3. Well defined goals	3. Insufficient physical assets
4. Hard working staff	4. Poor marketing efforts
5. Low staff turnover rate	5. Poor accounting system
6. Participates in industry knowledge sharing	6. No investment in Research and Development (R&D)
<u>B. Opportunities</u>	<u>D. Threats</u>
1. High market demand for service	1. Climatic changes
2. Little to no competition	2. No national government support
3. Local government support for activities	3. Few barriers to entry for competition
4. R&D being conducted by multinationals, and they are looking for local partners	4. Many large foreign owned companies aggressively entering the market
5. Improved local infrastructure	5. Input prices have risen sharply in the past
6. Favorable export regulations	6. Rising interest rates

II.3. Questionnaire: The Framework

The Questionnaire is the final and most comprehensive section of the OAT. It is principally designed to be completed in the field ideally by at least two assessors to thoroughly inquire into the operational characteristics of the target organization, and to provide a relative measurement of strength and potential compared to industry peers. Linear in design, the assessors can follow the questionnaire from top to bottom. Many questions require the assessors to gather information from various sources, inside and outside the organization, in order to accumulate an accurate representation of current operations and organizational potential before responding to each question. Only after gathering all relevant data should the assessors assign a numeric score for each query.

The Questionnaire framework consists of two main categories; (1) Resources: highlighting the institutional importance of inputs as the means to generate revenue, and (2) Performance: the resulting utilization of available inputs, and a significant indicator to gauge financial sustainability. Within each of these two categories, the OAT identifies various subcategories focusing on related segments of institutional capacity. Each subcategory has been identified as a crucial variable in achieving operational sustainability. Under each subcategory, a subtotal score will be generated allowing the assessor to identify where there are gaps in organizational

capacity. Identifying the specific areas of weakness will play a crucial role in designing capacity building activities.

Every organization and organizational environment is unique. Consequently, a static, stand-alone list of questions may not capture the fundamental nature of the target organization. Therefore, each question has been provided with supplemental space to qualify each response. The assessor is encouraged to include detailed descriptions, caveats, particulars of limitations/strengths or reasons as to why a particular trait exists. So, while a numeric score can be generated upon completion of the questionnaire, it is not intended to be an absolute figure existing without accounting for specific organizational idiosyncrasies. Though there is a final Questionnaire score calculated, the assessor should also take all qualifying comments into consideration. The OAT Questionnaire, completed along with the SWOT analysis, has been designed to accurately assess an organization's ability to meet stated goals/objectives.

II.3.i. Institutional Resources

The Institutional Resources category of the questionnaire is designed to highlight the tools, inputs and capabilities necessary for the target organization to achieve operational success. Resources are synonymous with inputs and/or assets, and can include any item or process possessed by the organization which is utilized to generate revenue for the organization. The resources identified in the subcategories below represent a range of topics pertinent to achieving financial sustainability. A central focus of the assessor should be to respond to each query in relation to the pre-established goals/objectives. While relevant organizational resources may differ among organizations, the OAT aims to identify those which are of universal importance. When applicable, the assessor should provide qualifying comments to ensure sufficient qualitative background for each numeric response. By completing the institutional resource questions, the assessor will have provided an accurate representation of the organization's current capabilities and available resources to leverage to increase the organization's effectiveness.

II.3.i (a-d) Subcategories of Institutional Resources

a. Human Resources – Planning

Human Resources (HR), or the persons employed in an organization, play a key role for an organization to gain a competitive advantage in the environment in which they operate. For an organization to fully utilize its personnel, the organization must 1) effectively manage staff, 2) tie performance appraisal and compensation to individual competencies, 3) develop individual competencies and enhance both individual and organizational performance, 4) enhance organizational competitiveness through effective management of personnel, 5) manage the implementation of the organizational mission through improved staffing and training. Smaller organizations, associations or cooperatives may have limited capacity to improve in these five areas since it may have staff that are volunteers or work on a part-time basis. These factors should be considered by the assessor when evaluating an organization's HR practices.

The queries related to the HR-Planning subcategory attempt to identify whether or not the target organization is fulfilling the above five responsibilities. For obvious reasons, information concerning the effectiveness of management and/or intra-office relationships may be difficult to ascertain through group interviews. The assessor should therefore utilize various information gathering techniques such as individual interviews or smaller group interviews, when approaching potentially sensitive hierarchical inquiries related to the HR-Planning subcategory.

b. Physical & Financial Resources + Systems

Physical & Financial Resources (PFR) refer to tangible items possessed by the organization which have economic or commercial value. Typically PFR refers to cash, equipment, inventory and/or properties. Simply put items that contribute to revenue generation, or that can be liquidated when cash is needed. The questionnaire does not specifically account for intangible assets, such as goodwill, as balance sheet items; however, it does broach this subject with questions pertaining to external reputation, found in the Institutional Performance category, and intellectual capital, found in section II.3.i.c below.

Organizational Systems, or the methods and processes, by which the organization operates, including IT capabilities, are also included in the PFR subcategory as physical resources for the purpose of this assessment. Systems are an important indicator of institutional capabilities and potential, in that they illustrate the level of complexity, sophistication and efficiency of the target organization.

To effectively gather information pertaining to PFR + Systems, it is advised that the assessor conduct an interview with the Chief Financial Officer (CFO), accountant, Chief Technical Officer (CTO) or equivalent personnel. To verify information concerning hard assets (such as inventory, office equipment, etc) the assessor should additionally try to directly verify as many assets as possible.

c. Intellectual Capital – Knowledge Management

Intellectual Capital (IC), in its broadest sense, refers to how knowledge and knowledge collaboration lead to efficiency, productivity, and ultimately financial performance. IC should be viewed as an intangible asset, and can include organizational brands, technical knowledge and/or other intangible assets which can be leveraged to generate revenue from operations. It is not assumed or even expected however, that these intangible assets be quantified and recorded as a balance sheet item. Often, these questions will rely on a great deal of qualitative analysis from the assessor.

Information concerning IC can often be obtained through conversations and interviews with industry peers, donors, customers, beneficiaries, suppliers or other value chain participants who have operational contact with the target organization.

d. Legal Structure

The Legal Structure subcategory of the assessment is designed to quantify the current legal framework of the organization. The legal framework, for purposes of this practical field guide, focuses mainly on licenses and registrations. Specifically, how the licenses and registrations possessed by the organization affect the ability to conduct necessary operations. Certain licenses stipulate intention; for instance, whether an organization is intended for profit, or not for profit, which may affect accounting procedures, sub-contracts, marketing activities, etc. In other instances, registrations may outline how and where an organization is permitted to conduct operations. The basis of the questions is to determine if the licenses and registrations are sufficient and appropriate to meet organizational goals, and ultimately intended to ascertain whether the existing legal structure is an asset or a hindrance to achieving objectives going forward.

Typically, management, an attorney or an officer with a strong working knowledge of applicable local organizational legal requirements would be able to provide the necessary information. Often, a collaborative effort will be necessary to establish whether or not the current legal structure is the most beneficial for the organization to achieve its strategic objectives.

II.3.ii. Institutional Performance

Institutional Performance, the second category of the OAT Questionnaire, is designed to measure an organization's efficiency in utilizing available resources. Performance indicators include measurements of financial sustainability, as well as socio-economic benefits of the services being provided. The questions within this category are intended to provide a detailed guide to determine whether the target organization has reached, or is on-schedule to reach long-term operational sustainability. Many of the socio-economic benefits cannot be easily quantified; therefore in certain instances it is the responsibility of the assessor to subjectively analyze the effects of the interventions on behalf of beneficiaries. Performance analysis requires a delicate balance between measurements of an organization's pursuits of financial sustainability, their ability to achieve objectives, and their socio-economic value within the community in which they operate. Not to be overlooked, when considering the socio-economic value, is whether operational results correspond with project objectives.

II.3.ii (a-c). Subcategories of Institutional Performance

a. Operational Results:

Operational Results are the product of the activities being conducted by the target organization. The subcategory will draw attention to whether or not the organization is operating consistent with its long-term mission, and if objectives have been consistently achieved or the organization is on pace to achieve objectives within the stated timeframe.

The Operational Results subcategory consists mainly of subjective queries, relying on the assessor to focus on qualitative effectiveness. It is recommended that the assessor focus analysis on the quality of services being provided, as well as the quantity or breadth of services provided. This includes, but is not limited to the extension of services to women or the more vulnerable segments of the population. In general, the information acquired in the Operational Results subcategory should illustrate whether the target organization is effectively providing socio-economic benefit in a sustainable or potentially sustainable manner. Questions concerning quantitative effectiveness can be found in section II.3.ii.c below.

To thoroughly assess the quality of services provided, the assessor is encouraged to conduct field interviews with customers, members, beneficiaries and/or community members in.

b. External Relationships

The External Relationships subcategory examines the nature and extent of the target organization's links to the community and its respective value-chain. Strong market linkages not only reap direct financial benefits, but also generate a substantial amount of organizational goodwill, which can be leveraged as an asset going forward. The queries will pertain to links with government, beneficiaries, industry peers, competitors, trade associations, financiers and non-profit organizations. A particular emphasis is placed on the organization's ability to establish beneficial partnerships and effectively network with industry stakeholders. The questions will focus not only on results of existing partnerships/relationships, but will also assess the level of effort put forth by the target organization to develop the relationships.

To fully understand the nature of external relationships, the assessor will need to conduct extensive field interviews with government officials, beneficiaries, competitors and/or community members.

c. Quantitative Financial Indicators

Calculations and comments in the quantitative financial indicators sub-category will paint a general financial picture of the target organization, but are in no way intended to represent an exhaustive list of possible relevant financial measurements. The indicators and ratios in this subcategory are generally important for any organization to gauge progress, and efficient utilization of liquid assets in relation to the stated organizational objectives.

The calculated results will be relative, therefore, it is imperative that the assessor draw benchmarks to industry standards (ie: how do competitors and/or industry-peers fare?). Next, it is important that the assessor compare these quantitative results to (1) stated objectives, (2) area of focus, (3) age/lifecycle stage. These variables should illustrate whether strategy and deployment of assets are consistent.

Obtaining accurate financial information on the target organization is dependent on the assessor's ability to work with the organization's financial personnel to gather the relevant data

and determine whether: (1) the resulting calculations require improvement in order to reach organizational objectives, or (2) the results unambiguously identify a financial area of importance in which the target organization has excelled. The numeric score provided by the assessor should be selected based on this determination. Assign a score based on a scale of 1-5 (where 1 is the worst possible result and a 5 represents an excellent quantitative result). Provide the results of the financial calculation and any additional commentary which will be useful in understanding the organization more fully. This will allow any third party observer to grasp the reason/justification for the score provided.

This subcategory relies on the assessor's ability to analyze the data that is collected. It is important for the assessor to have the background and ability to determine whether quantitative results are strong or weak in a particular industry, stage of organizational development, or country of operation. If on the other hand, an organization has not been in operation long enough to accumulate the data required to carry out the necessary calculations, then the assessor must base calculations on financial projections and provide comments to that effect. Commentary regarding calculations of projected financial performance should focus on the likelihood of projections being met, and whether the calculated ratios are positive or negative in relation to organizational goals.

In the supplementary space provided, if applicable, the assessor is urged to include any financial measures which are specific to the sector/industry focus (ex: If the target organization is a micro-lender, include measures such as average loan size, repayment %, delinquency %, etc; on the other hand, if assessing an agricultural cooperative, include measures such as membership growth rate, or hectares of land irrigated; the success of an such organization may alternatively rely on indicators such as dividends paid to members, etc). Supplementary financial calculations will not be included in the overall quantitative score generated from the assessment. In order to generate such supplementary calculations, the assessor must be familiar with the industry of operation.

II.3.iii. Scoring: Quantifying questionnaire results

Guidance: Each question is gauged on a scale of 1-5, in which 1 is the lowest possible score and 5 is the highest. The score of each question is then aggregated for each subcategory, category and finally, the overall assessment score. When providing a numeric score for each query, futility and subjectivity can be mitigated by judging observations against: pre-stated goals, local industry benchmarks, and the life-cycle stage of the target organization. Pre-stated goals and objectives are the primary basis by which an organization's performance must be judged. A favorable score should be provided if the response is in-line with organizational requirements and intentions going forward. Alternatively, if observations do not correspond to the organizations aims, an unfavorable score should be recorded. Also, local industry benchmarks can act as a strong indicator for expected performance. The assessor must ascertain how an observation compares with that of a successful organization of similar size and age, in the same enabling environment, with similar objectives. Lastly, the numeric score provided for each question should be determined in light of the stage within the organizational lifecycle. Expectations for an organization vary greatly depending on whether it is a nascent grassroots

organization, a mature organization (experiencing varying levels of growth), or a declining organization (an organization in decline will either undergo a renewal phase, or demise). See Appendix III for an illustration of the organizational lifecycle.

Framework: The scoring framework has been established to allow the assessor, the organization itself, ACDI/VOCA (or a NGO with similar aims), and/or an M&E evaluator to identify the specific areas of strengths and weaknesses. A numeric score range, corresponding to weakness, adequacy and strength will be generated at various levels of operation (See Framework Graph #2). First, the total score generated as an aggregate of all questions will provide an overall picture of the present condition of the organization. Second, the framework allows an assessor to identify gaps and/or strengths in the organization in terms of the main operational categories – Resources and Performance. And lastly, the scoring framework allows the assessor to drill down to the operational subcategory level to identify precisely which areas require strengthening.

The weighted averages, ultimately determining the level of focus on each Category/Subcategory, and also shaping the overall assessment score, have been established through rigorous debate to determine an acceptable breakdown of the importance of each organizational variable and its direct effect on operational and financial sustainability. These weights will never meet 100% agreement in the field of organizational studies, and to date there is no known universally accepted principle identifying the most appropriate weight given to each organizational variable. Therefore, the ACDI/VOCA team has developed the following breakdown (Framework Graph #1) under the same assumptions made when developing the framework for the questionnaire. The reader will note that Resources are moderately weighted above Performance under the assumption that: (1) assets are of paramount importance in generating revenue/results, and (2) small nascent organizations (the bulk of local partners of ACDI/VOCA) rely on resources as a gauge of future results rather than a history of success/performance which has not yet been established. The individual weightings provided for each subcategory were each reviewed to determine their overall contribution to operational and financial sustainability.

Scoring Framework Graph 1: Weighted averages influencing scoring

<u>Categories/Subcategories</u>	<u>Number of Questions</u>	<u>Maximum Possible Points</u>	<u>Weighted Average as % of total</u>
Total Institutional Resources	26	130	54%
• Human Resources/Planning	11	55	23%
• Physical/Financial Resources & Systems	8	40	17%
• Intellectual Capital/Knowledge Management	5	25	10%
• Legal Structure	2	10	4%
Total Institutional Performance	22	110	46%
• Operational results	6	30	13%
• External Relationships	8	40	17%
• Quantitative Financial Indicators	8	40	17%
TOTAL	48	240	100%

<u>Categories/Subcategories</u>	<u>weak</u>		<u>adequate</u>		<u>strong</u>	
	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>	<u>From</u>	<u>To</u>
Institutional Resources Totals	26	83	84	103	104	130
• Human Resources - Planning	11	35	36	43	44	55
• Physical & Financial Resources + Systems	8	25	26	32	33	40
• Intellectual Capital - Knowledge Mgmt	5	15	16	19	20	25
• Legal Structure	2	5	6	7	8	10
Institutional Performance Totals	22	72	73	88	89	110
• Operational Results	6	19	20	24	25	30
• External Relationships	8	26	27	32	33	40
• Quantitative Financial Indicators	8	26	27	32	33	40
Total Organizational Assessment	48	156	157	192	193	240
% Score Ranges	20.00%	64.90%	65.00%	79.90%	80%	100%

Scoring Framework Graph 2: Point ranges and percentage determining strengths and weaknesses

III. Information Gathering

This section outlines the requirements for conducting the assessment, and suggested methodologies for gathering the information necessary to complete the questionnaire. Since the OAT is intended for use with a general population of organizations, irrespective of structure, focus, industry, size, age or global region, requirements and methodologies may vary or prove more appropriate depending on an infinite number of variables. Therefore, the OAT places a heavy onus on the assessor to recognize appropriate requirements and methodologies given the particular target organization and the specific constraints faced in gathering information.

III.1. Requirements

The following is a brief synopsis of what is required of the assessors in order to sufficiently conduct a comprehensive assessment. In lieu of a full Scope of Work, this section outlines the obligatory background and knowledge possessed by the assessors to provide a suitable review.

1. **Data collection records:** When data is collected, the assessor or assessors must record the meticulous details of the collection process. The assessors are required to record participant names, position (relation to the organization), as well as the location and date/time of an interview. If for some reason, interview participants request that their name not be recorded, simply record their association with the organization, and where and when the interview took place. Also, it will be necessary for the assessor to record the documentary evidence collected which led to the opinion formed about the organization. It is necessary to do this for each interview (group and/or individual) and document reviewed so that M&E evaluators, ACDI/VOCA or interested stakeholders have a clear understanding of how and why the questionnaire was completed – including who provided responses, what their responses were, and sometimes more important; who did not participate in interviews. This detailed summary of data collection techniques and observations for each subcategory will inform the reader if a representative sample of participants was included, and if appropriate documentation was reviewed in order to come to a conclusion. The assessor is required to complete a Data Collection Record for each subcategory. Data Collection templates can be found in Annex 1.
2. **Assessor Background and Experience:** The assessor identified and selected to perform the evaluation according to the OAT should have sufficient experience conducting Organizational Assessments (like?). Further, the ideal candidate will have extensive experience performing Market Analysis, SWOT Analysis and Value-chain assessments. Gathering data from a variety of sources is a delicate operation;

therefore the assessor must have experience in the country of operation, and must possess an understanding of the cultural traits and sensitivities therein. A full understanding of the local language of the target organization is also a compulsory variable which must be possessed by the assessor. Often, language and culture barriers create difficulties and misunderstandings in direct interviews; an unwelcome, nonetheless common phenomenon the OAT seeks to avoid.

III.2. Suggested Methodologies

The following includes several methods which can be employed to gather information concerning the target organization. It is understood that certain methods may yield better or worse results depending on the varying characteristics of the country, industry and/or organization in question. Therefore, the responsibility of identifying the most beneficial methods is that of the assessor. Generally, however, to obtain the most thorough data possible, it is advised that all of the below methods be employed.

1. Individual Interviews: Includes speaking one-on-one with staff (managerial and support), customers, beneficiaries, government officials and/or advisors (local and national), competitors, members, investors. It is advised that interviews be conducted in a direct, but open-ended format, allowing respondents to provide the information they feel is most necessary on a particular subject (note: avoid “leading” questions which merely elicit the expected or desired results of the assessor). It is important to talk with as many different people within the organization as possible. In many instances, it will be difficult to obtain a comprehensive response if only managers are consulted, and equally difficult to achieve an unbiased assessment if only lower level staff members are consulted. Similarly, it is necessary to interview community members and beneficiaries to achieve a more balanced depiction of the organization in question. If a board of directors or governing board exists, it will be important to extract information from these sources concerning the target organization.
2. Group Interviews/Focus Groups: In certain contexts, it can be more productive to speak with the above people in a group setting. Often, a group setting can create positive scaffolding in which respondents generate ideas (good or bad) from one another. Group interviews are not always the most productive means of gathering information when discussing sensitive issues which lend themselves to a private conversation (i.e.: asking staff about their management in the same room). If a particular issue is too sensitive to discuss in a group setting, it is advised that the assessor conduct individual interviews and/or employ direct observation of activities/operations.
3. Information Triangulation: maybe a suggestion to triangulate information in asking some of the questions (especially the most qualitative) to different groups/peoples to check on the accuracy of the answer

4. Documentation Review: A great deal of review must be dedicated to both internal and external documentation in order to generate and substantiate an organizational assessment. This can include, but is not limited to internal correspondence, personnel records, financial transaction records, licenses/registrations, staff charts, strategic planning documents, budgets, audits, Public Relations (PR) publications, as well as macro-focused documentation such as strategic ministerial reports, government agency strategy reports or NGO sector analyses. Documentation can prove to be valuable both before and after any interviews. If the organization is in the early stages of its life-cycle, possessing little to no documentation with regards to past performance, the assessor can focus on the business plan, certifications/licenses, and/or other strategic documents. Direct observation and interviews may need to act as substitutes if insufficient documentation is available.

5. Direct Observation: Information that cannot be substantiated through documentation review and/or interviews may need to be validated by direct observation. More so, any evidence gathered from the above three methods should be reinforced through direct observation. The assessor can observe physical assets like inventory or office facilities, take trips to see operations in the field, watch the interaction between management and staff or staff and beneficiaries. Direct observation of field activities may be the most valuable information gathering method for small, nascent organizations which may lack sufficient documentation of past activities/operations.

THE OAT. – A PRACTICAL FIELD GUIDE TO ORGANIZATIONAL ASSESSMENT:

		<u>Response</u>		<u>Comment</u>
1.	<u>Organizational Classification & Identification of Goals</u>			
1.1.	What is the key area of focus for the target organization?	a. Community Development b. Enterprise Development c. Financial Services d. Agribusiness e. Other (Specify)		
1.2.	What is the current legal structure of the target organization?			
1.3.	Where is the organization within its life-cycle? How long has it been in operation?			
1.4.	What is the stated mission of the organization and what are its long-term strategic goals? ¹			
1.5	Please list the various activities conducted by the target organization.	1. 2. 3.		
		<u>List outputs/objectives</u>		<u>Timeframe</u>
1.6	What are the short term operational objectives and/or desired outputs? ² Provide timeframes corresponding to each objective/output. When will each particular short-term goal be achieved?	1. 2. 3.		1. 2. 3.

¹ What is the purpose of operations? What is the vision of the organization? Identify the desired long-term achievements.

² This question should focus on what outputs are necessary to reach sustainability, and what needs to be done to meet the long-term organizational mission. What are the revenue targets? How much investor capital is necessary before financial self-sufficiency can be achieved? How will they expand marketing efforts? How many beneficiaries will receive services? How many loans will be issued and what is the desired repayment rate? The key is to be as specific as possible, allowing monitoring and evaluation of objectives over time.

II. SWOT Analysis – Strengths, Weaknesses, Opportunities, Threats (image 1)

<u>Strengths – Internal</u>	<u>Weaknesses – Internal</u>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
<u>Opportunities – External</u>	<u>Threats – External</u>
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.

Follow up Discussion Questions:

- How can you leverage your strengths, while improving upon your weaknesses?
- How can you, as an organization, mitigate external risks and profit from opportunities?
- Can short-term goals be achieved under present circumstances? If not, is amending short-term goals a viable option?

I. Questionnaire: Categories & Subcategories of Organizational Capacity

a. **Institutional Resources**

		<u>Scale</u>	<u>Score</u>	<u>Comment/Examples</u>
i.	Institutional Resources			
i.a	Human Resources – Planning			
i.a.1	How would you rate the working relationship between management and staff?	1 (Very Poor) 2 3 4 5 (Excellent)		
i.a.2	How well does information flow between different areas/departments of the organization?	1 (Poorly) 2 3 4 5 (Effectively)		
i.a.3	How effective is the “management style” to achieving organizational goals and establishing a productive working environment? ³	1 (Ineffective) 2 3 4 5 (Very Effective)		
i.a.4	What understanding does management have of strategic objectives and organizational goals?	1 (Incomplete) 2 3 4		

³ I.e.; Are staff responding well to the chain of command, and/or are managerial methods well received?

		5 (Thorough)		
i.a.5	How informed are staff members of short & long term goals, and changes therein?	1 (Unaware) 2 3 4 5 (Informed)		
i.a.6	Do women and members of minority ethnic, political, and/or religious groups receive equal opportunities in recruitment, career development, and decision making within the organization? ⁴	1 (Not at all) 2 3 4 5 (Very Much)		
i.a.7	How efficiently is the organization's staff and members used to realize objectives? ⁵	1 (Inefficient) 2 3 4 5 (Very Efficient)		
i.a.8	How well is staff trained and/or given the appropriate resources and technical know-how to complete a task?	1 (Poorly) 2 3 4 5 (Thoroughly)		
i.a.9	To what extent are managers held accountable for meeting goals, and to what extent is staff held accountable for completing tasks in a timely manner?	1 (No accountability) 2 3 4 5 (High accountability)		

⁴ Do cultural barriers exist within the country of operation, preventing access for underrepresented groups, or does it appear to be an organizational trait?

⁵ I.e.; How many staff are used to implement a task vs. how many are required?

i.a.10	Is there a satisfactory performance evaluation process in place for both managers and staff? This applies to very well structured private companies where managers are not chosen/elected and where staff have well defined SOW	1 (Unsatisfactory) 2 3 4 5 (Complete)		
i.a.11	Are there appropriate incentive programs (salary, bonus, benefits) in place for the retention and motivation of staff?	1 (Nonexistent) 2 3 4 5 (Appropriate)		
	HR – Planning Total Score	<i>(Add Scores & Enter as Total out of 55)</i>		

		<u>Scale</u>	<u>Score</u>	<u>Comment/Examples</u>
i.	Institutional Resources			
i.b	Physical & Financial Resources + Systems			
i.b.1	Are the organization’s facilities (Building, IT & telecom equipment, etc) sufficient to perform necessary operations and reach stated goals?	1 (Insufficient) 2 3 4 5 (Sufficient)		
i.b.2	Are financial tracking systems and/or accounting software utilized? If so, is it utilized effectively? If not, is the process in place sufficient to properly audit their books and/or to meet their stated objectives?	1 (Insufficient / Ineffective) 2 3		

		4 5 (Sufficient / Effective)		
i.b.3	Are efforts being made or financial resources being committed to meet any deficit in physical resources? ⁶	1 (No commitment) 2 3 4 5 (Active Effort)		
i.b.4	Is there consistent and suitable income flow to exceed operational costs? ⁷	1 (Unsuitable / Insufficient) 2 3 4 5 (Suitable / Sufficient)		
i.b.5	Does the organization possess sufficient property and other hard assets against which it can borrow?	1 (Insufficient) 2 3 4 5 (Ample)		
i.b.6	Are sufficient liquid assets available to cover short-falls in income or unexpected expenses?	1 (Insufficient) 2 3 4 5 (Ample)		
i.b.7	Does the organization separate or commingle investment capital and revenue under their current accounting procedures? ⁸	1 (Commingled) 2		

⁶ If there are not sufficient financial resources to be committed, please state as such.

⁷ If this is a young organization at the beginning of the organizational life-cycle, please gauge the potential for a sustainable income source - (income can include commercial and/or donor sources).

		3 4 5 (Separated)		
i.b.8	Calculate the organization’s “Growth Capital Burn Rate”, its available “Growth Capital”, and their stated timeline to commercial sustainability. Do the results of this comparison show sufficient time for the organization to reach commercial sustainability (profitability) from operations before Growth Capital is depleted? ⁹	1 (Nonexistent) 2 3 4 5 (Appropriate)		
	Physical & Financial Resources + Systems Total Score	<i>Add Scores & Enter as Total out of 40:</i>		

		<u>Scale</u>	<u>Score</u>	<u>Comment/Examples</u>
i.	Institutional Resources			
i.c	Intellectual Capital – Knowledge Mgmt			
i.c.1	What level of technical know-how does the organization possess? (This may include development and/or possession of technical manuals) Are they seen as industry/sector leaders due to their depth of knowledge in their area of focus?	1 (Weak/No) 2 3 4 5 (Strong/Yes)		
i.c.2	How well does the organization transfer technical			

⁸ *Investment Capital* is provided by investors intending to build the operations of the organization, while *Revenue* is gross income received from operations. It is important to separate the 2 assets in order to determine if revenue received from operations are sufficient to reach sustainability without perpetual increases in investment of an unsustainable organization.

⁹ **Definitions:** *Burn Rate*: the rate at which available capital is consumed; stated in terms of \$/month. *Growth Capital*: Financial means available to build operations; includes investor capital, revenue from operations and donor capital.

	expertise to relevant staff? Formal or non-formal, how effective does the training program appear to be?	1 (Poor / Ineffective) 2 3 4 5 (Well / Effective)		
i.c.3	How actively does the organization participate in knowledge sharing with other industry players? ¹⁰	1 (Inactive) 2 3 4 5 (Active)		
i.c.4	How sophisticatedly and/or efficiently are the fundamental operational tasks conducted within the organization? Is the operational knowledge displayed relevant to meeting the stated goals? ¹¹	1 (Inefficient / Irrelevant) 2 3 4 5 (Efficient / Relevant)		
i.c.5	How well can the organization leverage its technical skills and/or industry know-how to best serve their beneficiaries?	1 (Poor) 2 3 4 5 (Very well)		
	Intellectual Capital – Knowledge Mgmt Total Score	<i>Add Scores & Enter as Total out of 25:</i>		

¹⁰ This may include NGOs, Associations, Government Agencies, Industry stakeholders, or anyone who has a practical interest in the organization’s area of focus.

¹¹ I.e.; Financial management, marketing, IT

		<u>Scale</u>	<u>Score</u>	<u>Comment/Examples</u>
i.	Institutional Resources			
i.d	Legal Structure			
i.d.1	Does the organization face legal barriers or restrictions to reaching their stated goals? ¹²	1 (Significant barriers) 2 3 4 5 (No legal barriers)		
i.d.2	Does the target organization possess all licenses and registrations necessary to carry out operations and meet stated goals/objectives? Please provide list of licenses and registrations possessed and/or neglected.	1 (Lacking) 2 3 4 5 (Sufficient)		
	Legal Structure Total Score	<i>Add Scores & Enter as Total out of 10:</i>		

¹² If there are significant legal barriers to conducting institutional tasks, then sustainability may be difficult to reach under the current legal framework and/or enabling environment. Often, the enabling environment creates many operational setbacks. Most importantly, can these setbacks be overcome?

b. Institutional Performance:

		Scale	Score	Comment/Examples
ii.	Institutional Performance			
ii.a	Operational Results			
ii.a.1	How is the socio-economic benefit of the service perceived by the beneficiaries?	1 (Insufficient) 2 3 4 5 (Invaluable)		
ii.a.2	How significantly are income-improving and/or employment-producing activities making an impact in the areas of operation?	1 (No impact) 2 3 4 5 (Significant impact)		
ii.a.3	Does the target organization prioritize women and/or the more vulnerable/excluded segments of the population in its activities and planning?	1 (No effort) 2 3 4 5 (Priority)		
ii.a.4	Is the organization moving toward its performance goals within the stated timeframe? Please comment on the likelihood of goals being met.	1 (No Progress) 2 3 4 5 (Excellent Progress)		

ii.a.5	How well does information flow between the organization and its beneficiaries? ¹³	1 (No communication) 2 3 4 5 (Strong Communication)		
ii.a.6	How effectively is the organization transferring their technical knowledge to beneficiaries?	1 (Very Poor) 2 3 4 5 (Very Effective)		
Qualitative Operational Results Total Score		<i>Add Scores & Enter as Total out of 30:</i>		

		<u>Scale</u>	<u>Score</u>	<u>Comment/Examples</u>
ii.	Institutional Performance			
ii.b	External Relationships			
ii.b.1	Assess the nature of the organization's relationship with local and/or national government.	1 (Very Weak) 2 3 4 5 (Very Strong)		

¹³ This can include the level of customer service, and/or the overall level of communication.

ii.b.2	How would you rate the relationship between the organization's staff/management and the beneficiaries of the service provided?	1 (Very Strained) 2 3 4 5 (Very Strong)		
ii.b.3	Assess the organization's reputation in its community. ¹⁴	1 (Unknown or ill perceived) 2 3 4 5 (Well respected)		
ii.b.4	How well are organizational services growing? ¹⁵	1 (Stagnant) 2 3 4 5 (Rapid Growth)		
ii.b.5	How would you rate the organization's effort to expand (members, customers, services)?	1 (No effort) 2 3 4 5 (Strong effort)		
ii.b.6	How strong is the demand for the service/s being provided?	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.b.7	Has the target organization secured beneficial partnerships and/or networking relationships in their	1 (None/ No value)		

¹⁴ If the organization is in the early stages of its life cycle, please comment on the reputation of management or others involved.

¹⁵ Growth may refer to members, customers, and/or services.

	sector of focus? ¹⁶	2 3 4 5 (Many / Invaluable)		
ii.b.8	Assess the level of effort being committed towards networking? This may include networking amongst potential partners, donors, government, etc. Please specify in the space provided.	1 (No focus at all) 2 3 4 5 (Strong dedication)		
	External Relationships Total Score	<i>Add Scores & Enter as Total out of 40:</i>		

		<u>Scale</u>	<u>Score</u>	<u>Comment/Calculation</u>
ii.	Institutional Performance			
ii.c	Quantitative Financial Indicators			
ii.c.1	Annual Total Expenses/Annual Total Revenue	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.c.2	Annual Salary expenses/Annual Total expenses	1 (Very Weak) 2 3		

¹⁶ These could include NGOs, government agencies, commercial partners, etc. If so, how valuable do these partnerships and connections seem to achieving long term sustainability?

		4 5 (Very Strong)		
ii.c.3	Annual Training Expenses/Annual Total expenses	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.c.4	Annual Marketing expenses/Annual Total expenses	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.c.5	Annual Total Expenses/Beneficiary ¹⁷	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.c.6	Annual Capital Expenditures /Annual Total Revenue	1 (Very Weak) 2 3 4 5 (Very Strong)		
ii.c.7	Average Annual Revenue (inflow of capital) growth% ¹⁸ This is not very clear to me. We should provide better definition and maybe better formula for calculation	1 (Very Weak) 2 3 4 5 (Very Strong)		

¹⁷ It will be necessary to calculate total number of recipients of organizational services in order to determine this ratio.

¹⁸ If this is the 1st year of operation, please calculate the average monthly revenue growth%

ii.c.8	Growth Capital/Burn Rate ¹⁹ This is not very clear to me. We should provide better definition and maybe better formula for calculation	1 (Very Weak) 2 3 4 5 (Very Strong)		
	Quantitative Financial Indicators: Total Score	<i>Add Scores & Enter as Total out of 40:</i>		

¹⁹ Your calculation will result in the Estimated Months to Commercial Sustainability. Does this number permit enough time to reach sustainability, given the available capital?

Overall Questionnaire Scoring

Identify organizational gaps/strengths within subcategories and/or categories by referencing the score received with the “Score Guide”.

	<u>SCORE GUIDE</u>				
	<u>Score</u>	<u>Total Possible</u>	<u>WEAK</u>	<u>ADEQUATE</u>	<u>STRONG</u>
HR - Planning		55	11 to 35	36 to 43	44 to 55
Physical & Financial Resources + Systems		40	8 to 25	26 to 32	33 to 40
Intellectual Capital - Knowledge Mgmt		25	5 to 15	16 to 19	20 to 25
Legal Structure		10	2 to 5	6 to 7	8 to 10
INSTITUTIONAL RESOURCES SCORE		130	26 to 83	84 to 103	104 to 130
Operational Results		30	6 to 19	20 to 24	25 to 30
External Relationships		40	8 to 26	27 to 32	33 to 40
Quantitative Financial Indicators		40	8 to 26	27 to 32	33 to 40
INSTITUTIONAL PERFORMANCE SCORE		110	22 to 72	73 to 88	89 to 110
TOTAL ORGANIZATIONAL CAPACITY ASSESSMENT		240	48 to 156	157 to 192	193 to 240

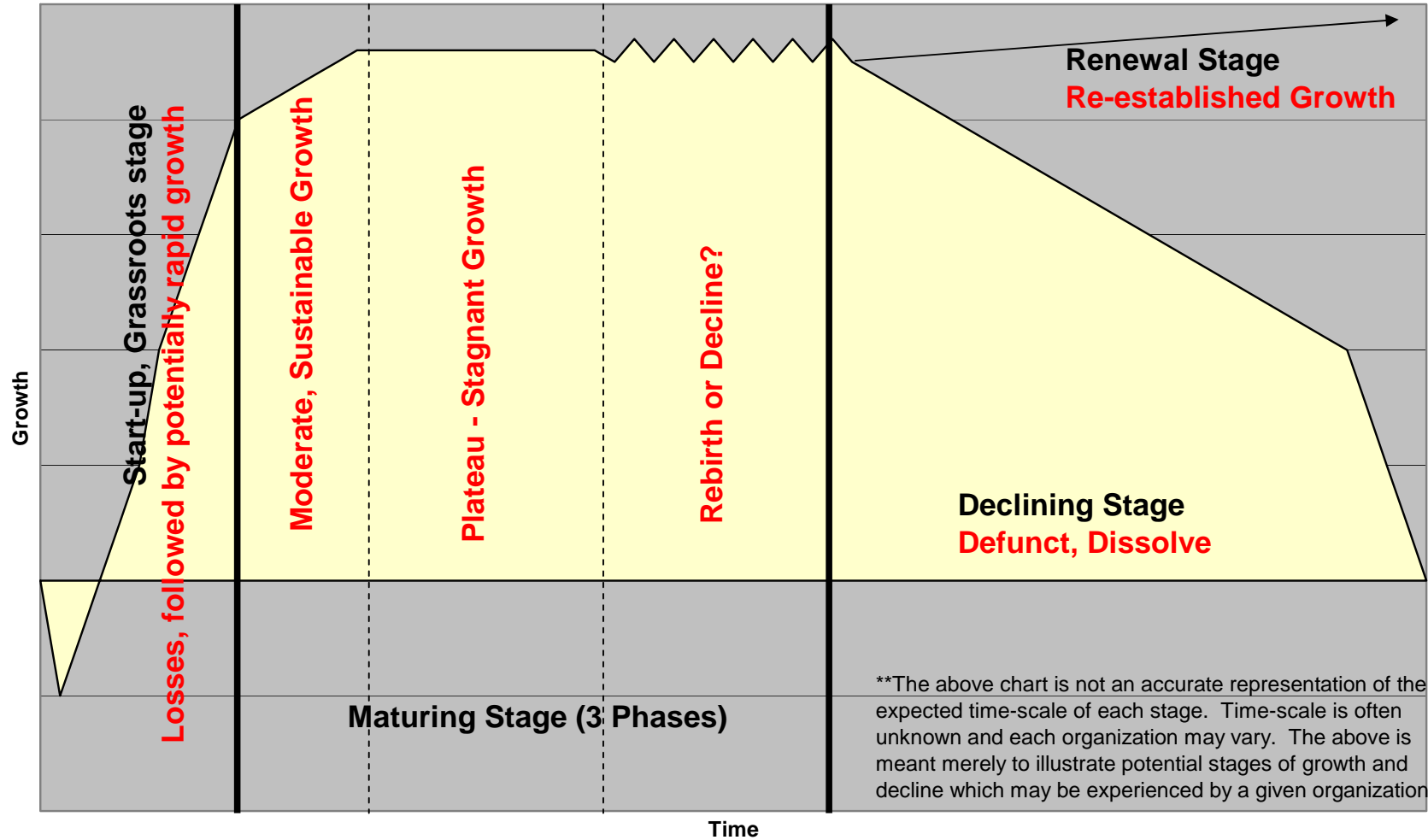
Annex II:

Assessment Check-list

- ✓ Ensure the target organization is aware that this is not a rapid, “in & out” assessment. A thorough analysis requires a significant time commitment on the part of management and staff.
- ✓ Schedule interviews in advance with the following individuals:
 - President/CEO, COO, CFO and/or accountant, CTO, Board of Trustees, Board of Governors, field technicians, administrative assistants, legal counsel, other staff, beneficiaries (groups may be easier), customers, competitors, partner organizations, and any others with knowledge of the organization.
- ✓ Review organizational fixed assets, including but not limited to:
 - Equipment, inventory, land, office, etc.
- ✓ Visit field operations and observe organizational activities first hand.
- ✓ Complete every question in the questionnaire, determine an appropriate numeric score for each, and provide comments, examples, explanations and/or calculations wherever appropriate.
- ✓ Sum the scores provided for each category and subcategory; enter totals into scoring summary sheet.
- ✓ Record sources of all information gathered in the Data Collection Records for each subcategory.
- ✓ When completed, submit SWOT matrix, Questionnaire, Scoring Summary and Data Collection Records to appropriate management staff (For ACDI/VOCA, this would include HQ Coordinator and/or Field COP).

Annex III

The Organizational Lifecycle



Annex IV

References

Connolly, Paul; Nonprofit organizational lifecycle assessment; TCC Group, GIH Annual Conference; February 2006

Hopkins, Dr. Thomas J.; Capacity Assessment Guidelines, The Program Approach: Assessment Levels and Methods; January, 1996.

Houben, G; Lenie, K; Vanhoof, K; A Knowledge-based Swot Analysis system as an instrument for strategic planning in small and medium sized enterprises, 1999

Jackson, SE; Joshi, A; Erhardt NL; Recent Research on Team and Organizational Diversity: Swot Analysis and Implications; 2003

Kanter, RM; Brinkerhoff, Derick; Organizational Performance: Recent Developments in Measurement, 1981

Overholser, George M.; Nonprofit Growth Capital: Defining, Measuring and Managing Growth Capital in Nonprofit Enterprises;
<http://www.nonprofitfinancefund.org/docs/Building%20is%20Not%20Buying.pdf>

Perry, JL; Rainey, HG; The Public-Private Distinction in Organizational Theory: A Critique and Research Strategy, 1988

VanSant, Jerry; Frameworks for assessing the institutional capacity of PVOs and NGOs; Duke University; <http://www.ngomanager.org/vansantarticle.htm>