



# ASSESSING CAPACITY

*Train the trainers*



**01. NECESSITY AND TERMINOLOGY – TOOLS & METHODS**

*Know the challenge*

**02. ASSESSMENT PROCESS**

*Learn to adapt*

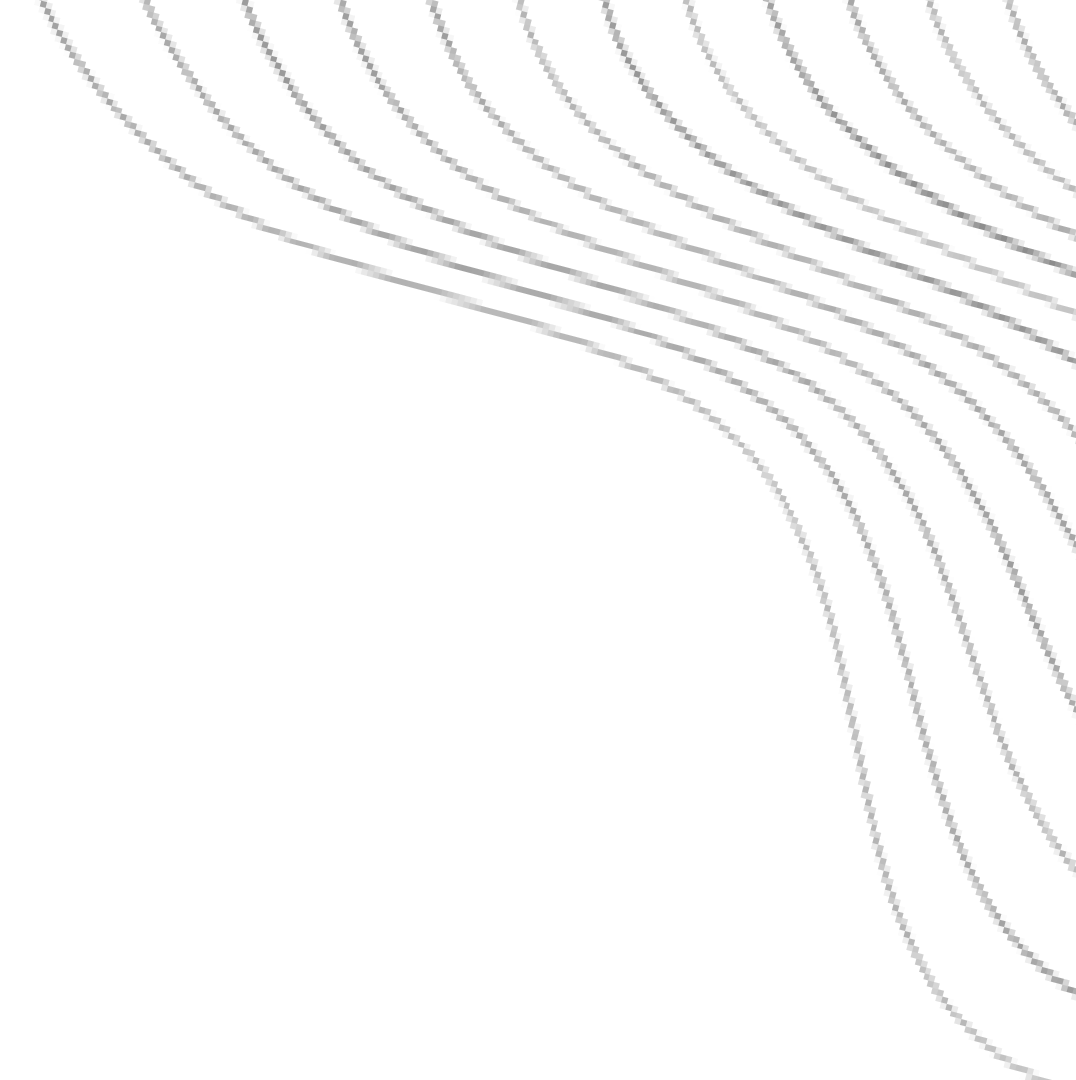
**03. KEY FEATURES AND TOOLS FOR CAPACITY ASSESMENT**

*SWOT, PESTLE and Value chain creation tools*

**04. IMPLEMENTING OCA TOOLS**

*Steps taken to implement tools*

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**Key Takeaway:** Understanding the critical role of capacity assessment in enhancing organizational effectiveness





# The Necessity of Capacity Assessment in Today's Organizations

## Context

In a rapidly evolving business landscape, 63% of CEOs in a recent global survey stated that capacity assessment is crucial for their strategic planning and risk management.

## Global Trends

Organizations that conduct regular capacity assessments are 30% more likely to successfully adapt to market changes and technological advancements.

## Future Outlook

With the rise of AI and machine learning, predictive analytics in capacity assessment is becoming a game-changer, offering deeper insights into organizational strengths and potential areas for growth.



# Advanced Analytics in Capacity Assessment

## Data Integration

Modern tools integrate data from diverse sources, providing a 360-degree view of organizational capacity. Companies leveraging integrated data report a 33% improvement in strategic decision-making.

## Predictive Insights

Tools equipped with predictive analytics can forecast future capacity challenges, enabling proactive strategy adjustments. Organizations using these tools report a 20% reduction in unexpected operational bottlenecks.

## Benchmarking Capabilities

Advanced tools now offer benchmarking against industry standards or competitors, with businesses using benchmarking reporting a 40% faster alignment with industry best practices.



# Customization and Flexibility in Capacity Assessment Tools

## Tailored Solutions

Customizable tools that adapt to specific organizational needs are on the rise, with a 50% increase in customization requests noted over the past two years.

## Sector-Specific Insights

For instance, in the non-profit sector, tailored assessment tools have helped organizations increase their impact efficiency by up to 35% by identifying precise capacity-building areas.

## User-Centric Design

Emphasis on user-friendly design in assessment tools has led to increased engagement and accuracy in self-assessments, with organizations noting a 25% increase in participation rates.



# Measuring Adaptability for Sustainable Organizational Growth

## Adaptability Index

Develop an adaptability index to gauge the organization's responsiveness to market changes, with top quartile organizations showing 30% faster adaptation to new trends.

## Innovation Audit

Evaluate the organization's capacity to innovate, linking it to market competitiveness. Enterprises with high innovation scores report a 45% better market penetration.

## Change Management Proficiency

Assess the effectiveness of change management protocols. Organizations with proficient change management report a 60% higher success rate in achieving transformational goals.

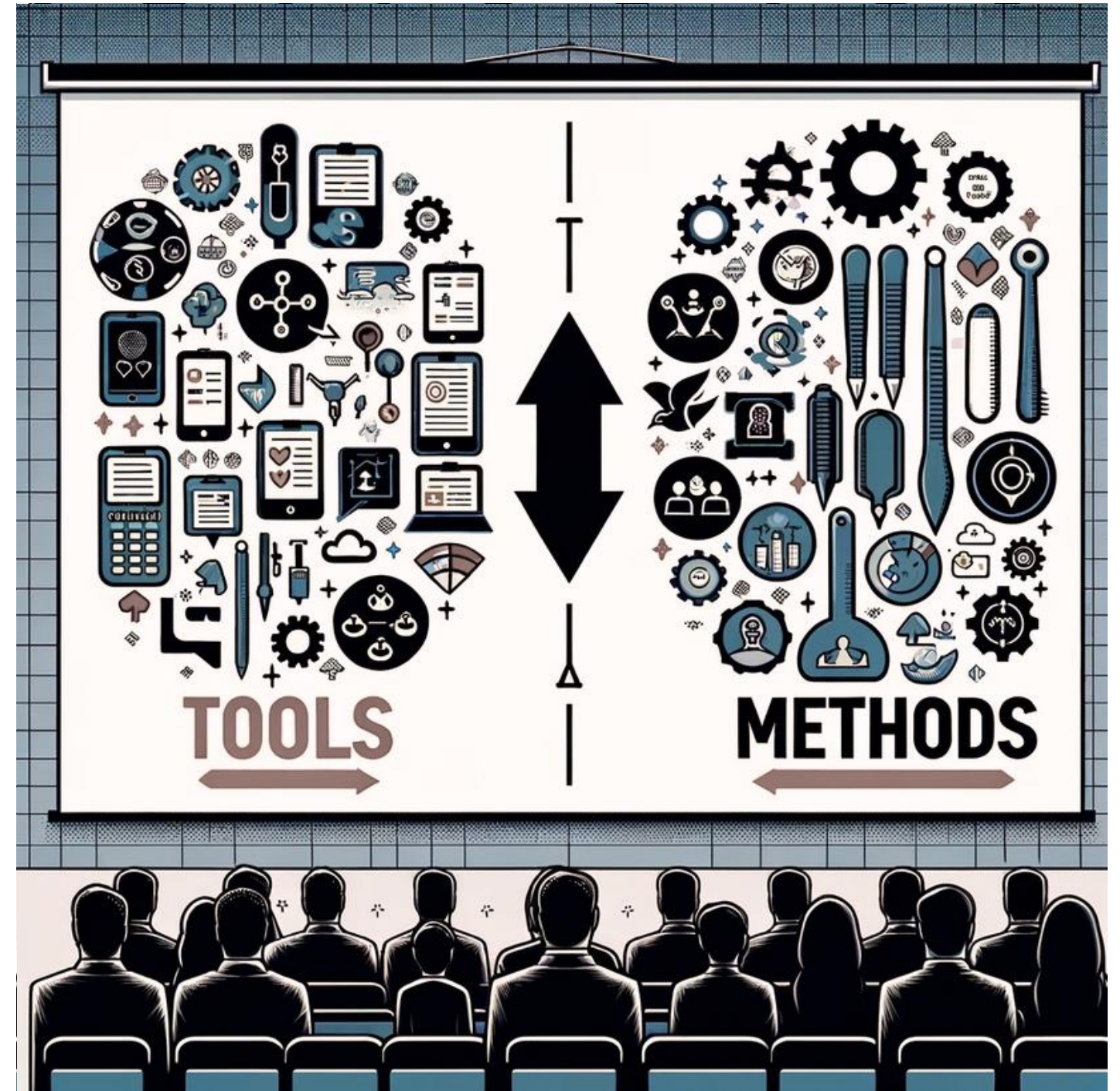
# Capacity assessment - tools & methods



**Let's discuss  
difference?**



# Capacity assessment methods & tools





## Assessment tools

**Capacity assessment tools** typically refer to specific instruments, surveys, or software designed to quantitatively measure various aspects of an organization's capacity, such as performance metrics, employee engagement surveys, or technological analytics.

## Assessment methods

**Capacity assessment methods** encompass broader approaches or frameworks used to systematically evaluate and improve organizational capacity. Methods may involve strategic planning, continuous improvement models, or scenario planning.





# Capacity assessment

## Defining capacity assessment

A capacity assessment within an organization refers to the systematic and strategic process of evaluating the organization's abilities, resources, and readiness to perform and achieve its goals.

## Why do we do that?

The aim is to understand the current capabilities and identify gaps that need to be addressed to enhance performance, efficiency, and effectiveness in meeting its objectives.



# Methods

More generalised approaches characterised by specific tools or techniques.

01

**Qualitative Assessments:** methods like interviews, focus groups, and expert panels to gather in-depth insights into organizational dynamics and nuances.

02

**Quantitative Assessments:** Use surveys, statistical analysis, and KPI evaluations to quantify aspects of organizational capacity and benchmark against quantifiable standards.

03

**Mixed-Methods Assessments:** Combine both qualitative and quantitative approaches for a robust and holistic understanding of organizational capacity.

04

**Document Analysis:** Review historical performance data, strategic plans, and operational documents to assess the alignment of resources with organizational goals.



# Capacity assessment steps



## ANALYZE

existing capabilities against the desired outcomes.



## IDENTIFY

gaps between current capacities and those needed to achieve strategic goals (e.g. spider/radar chart; PESTEL etc.).




## DEVELOP

a plan to address identified gaps, which may include training, restructuring, or resource allocation.



## IMPLEMENT

changes and monitoring progress to ensure continuous improvement



# CAPACITY ASSESSMENT tools

**Organizational Capacity Assessment (OCA)** tools are instruments used to evaluate an organization's ability to fulfill its mission effectively.

They help in identifying areas of strength and pinpointing opportunities for growth. These tools can be questionnaires, checklists, interviews, or software applications designed to measure various aspects of organizational health and readiness.

# Four most often used Organizational Capacity Assessment (OCA) Tools



## Self-Assessment Questionnaires:

Facilitate internal review and reflection on organizational practices and policies.



## 360-Degree Feedback Systems:

Gather comprehensive feedback from all levels of the organization, including peers, subordinates, and supervisors.



## Performance Metrics Dashboards:

Visual tools that track and display key performance indicators (KPIs) over time.



## SWOT/PESTEL

A strategic planning framework(s) used to identify external and internal capabilities, opportunities, gaps and challenges (details to follow).



# Key features of effective OCA Tools

## What Makes an OCA Tool Effective?

### **Comprehensive:**

Covers all critical areas of organizational function, from leadership to financial management.

### **User-Friendly:**

Easy to use and understand, facilitating widespread participation and accurate responses.

### **Adaptable:**

Can be customized to fit the unique context and needs of different organizations.

### **Action-Oriented:**

Provides clear guidance on how to address identified weaknesses and build on strengths.





# Future of OCA Tools

## The Evolving Landscape of OCA Tools

**01 Technology Integration:** Leveraging AI and machine learning for predictive analytics and more nuanced assessments.

**02 Customization and Flexibility:** The shift towards more adaptable tools that cater to diverse organizational needs.

**03 Employee Engagement:** New tools focusing on employee satisfaction and retention as key capacity indicators.

**04 Sustainability Metrics:** Incorporation of environmental and social governance (ESG) factors into capacity assessments.



# Tools for internal and external capacity assessment (focus on SWOT & PESTEL)



# What are Classical Internal and external **capacity assessment Tools?**

SWOT and PESTEL and numerous other tools and methodologies designed to assess and enhance internal capacity, from resource audits and performance metrics to advanced analytical software are **capacity assessment tools**.

We will explore some of these tools to provide a holistic approach to internal capacity assessment.



# Conducting SWOT Analysis:

Conducting a SWOT analysis involves **gathering and evaluating pertinent data** through diverse methods including surveys, interviews, document reviews, or direct observations.

Subsequently, categorize this data into **four segments**: strengths, weaknesses, opportunities, and threats. Utilizing a table or matrix can be effective for presenting this categorized information.

The concluding step entails identifying the **key or pivotal factors and formulating strategies** to capitalize on strengths, address weaknesses, seize opportunities, and counteract threats.



# SWOT Analysis



## STRENGTHS:

Identification of Core Competencies: It helps in identifying the core competencies and resources of the organization or team, such as skilled workforce, intellectual property, efficient processes, etc.

## WEAKNESSES:


Identifying Areas for Improvement: By recognizing the internal areas where the organization or team is lacking, it provides a clear direction for capacity building and resource allocation.

## OPPORTUNITIES:

Market and Environmental Opportunities: It identifies external opportunities such as emerging market trends, technological advancements, or changes in regulatory landscapes that the organization or team can capitalize on.

## THREATS:

Identifying Potential Challenges: It identifies external challenges that could pose a risk to the organization or team, including competitive pressures, market volatility, and regulatory changes.



**PESTEL** analysis is another strategic tool that can be used for capacity assessment, focusing on macro-environmental factors that could impact an organization's operations.



# PESTEL Analysis



## POLITICAL FACTORS:

Government Policies and Stability: Evaluates how government policies, political stability or instability, and interventions (like trade tariffs, fiscal policy, etc.) could affect the organization.

## ECONOMIC FACTORS:

Market Trends and Economic Indicators: Considers the impact of economic trends, such as inflation rates, interest rates, economic growth patterns, and exchange rates, on organizational capacity.

## SOCIAL FACTORS:

Cultural and Demographic Trends: Analyzes social trends, including shifts in demographics, consumer behaviors, and cultural attitudes, that could affect the market and organizational capacity.

## TECHNOLOGICAL FACTORS:


Innovation and Technological Advancements: Identifies new technologies, innovation, and the rate of technological change that could impact the organization's operations and market.

## ENVIRONMENTAL FACTORS:


Sustainability and Environmental Regulations: Considers environmental issues such as climate change, recycling requirements, and carbon footprint management, affecting operational capacity.

## LEGAL FACTORS:

Compliance and Legal Obligations: Identifies legal landscapes, including employment laws, health and safety regulations, and consumer protection laws, that the organization must navigate.

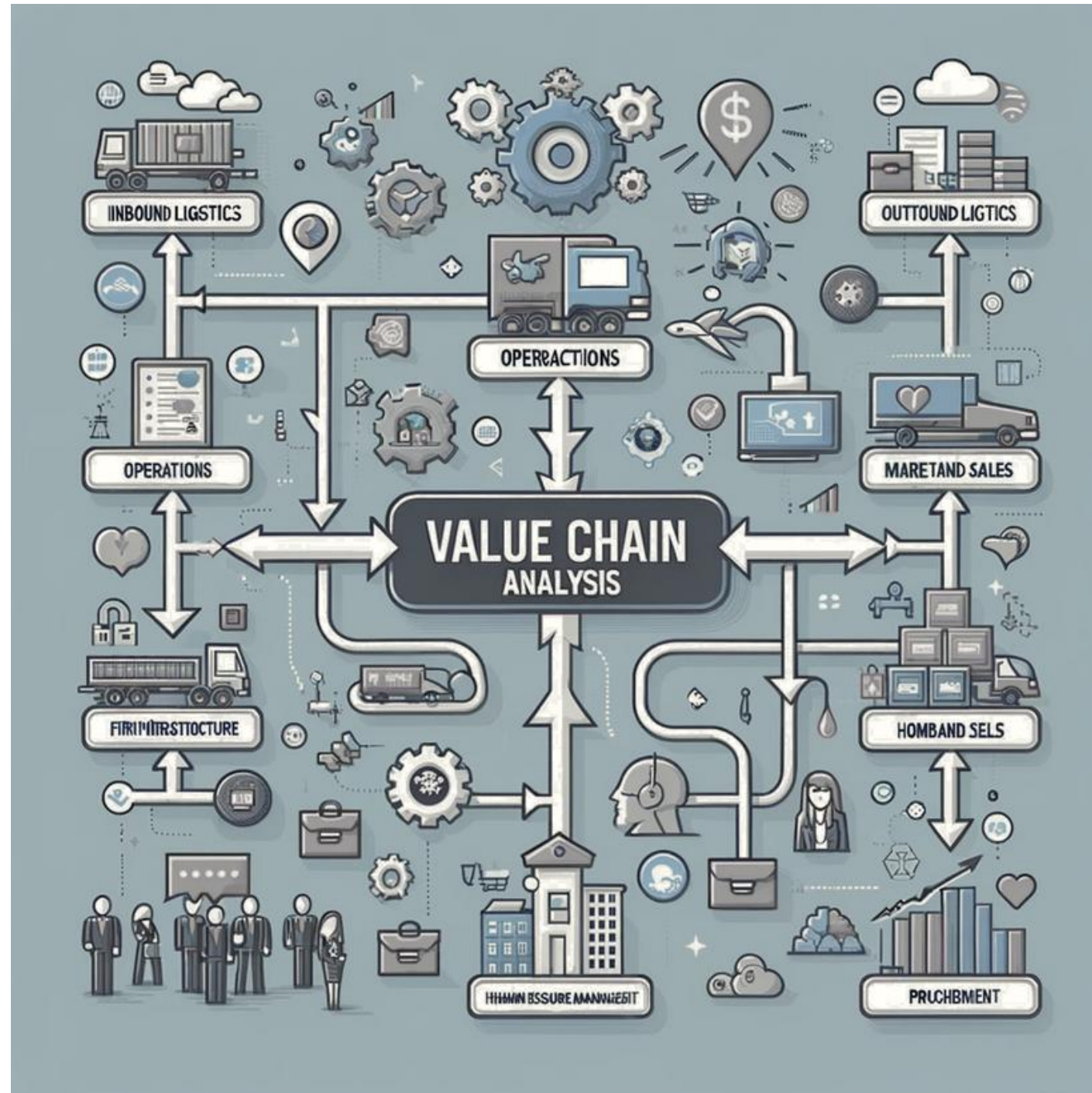


**Value chain analysis.** This tool assesses internal activities to understand where value is added within an organization and where inefficiencies lie, providing insights into internal operations.





# Value chain analysis



Value Chain Analysis is a strategic tool that dissects an organization's activities to identify where value is added and where efficiencies can be improved, aiming to enhance competitive advantage and operational effectiveness.

**Editable** version: <https://online.visual-paradigm.com/knowledge/strategic-analysis/best-online-value-chain-analysis-diagram-tool/>



**Organizational Capacity Assessment Tool (OCAT).** Developed by McKinsey for nonprofit organizations, this tool can also offer valuable insights for social enterprises. It helps organizations assess their strengths and areas for improvement across several dimensions.





# Organizational Capacity Assessment Tool (OCAT)



The Organizational Capacity Assessment Tool (OCAT) is designed to help organizations, particularly nonprofits, evaluate their strengths and weaknesses across various functional areas. This comprehensive tool enables organizations to identify areas where they need to build capacity to improve their effectiveness and achieve their strategic goals.

Online English version: <https://online.visual-paradigm.com/knowledge/strategic-analysis/best-online-value-chain-analysis-diagram-tool/>

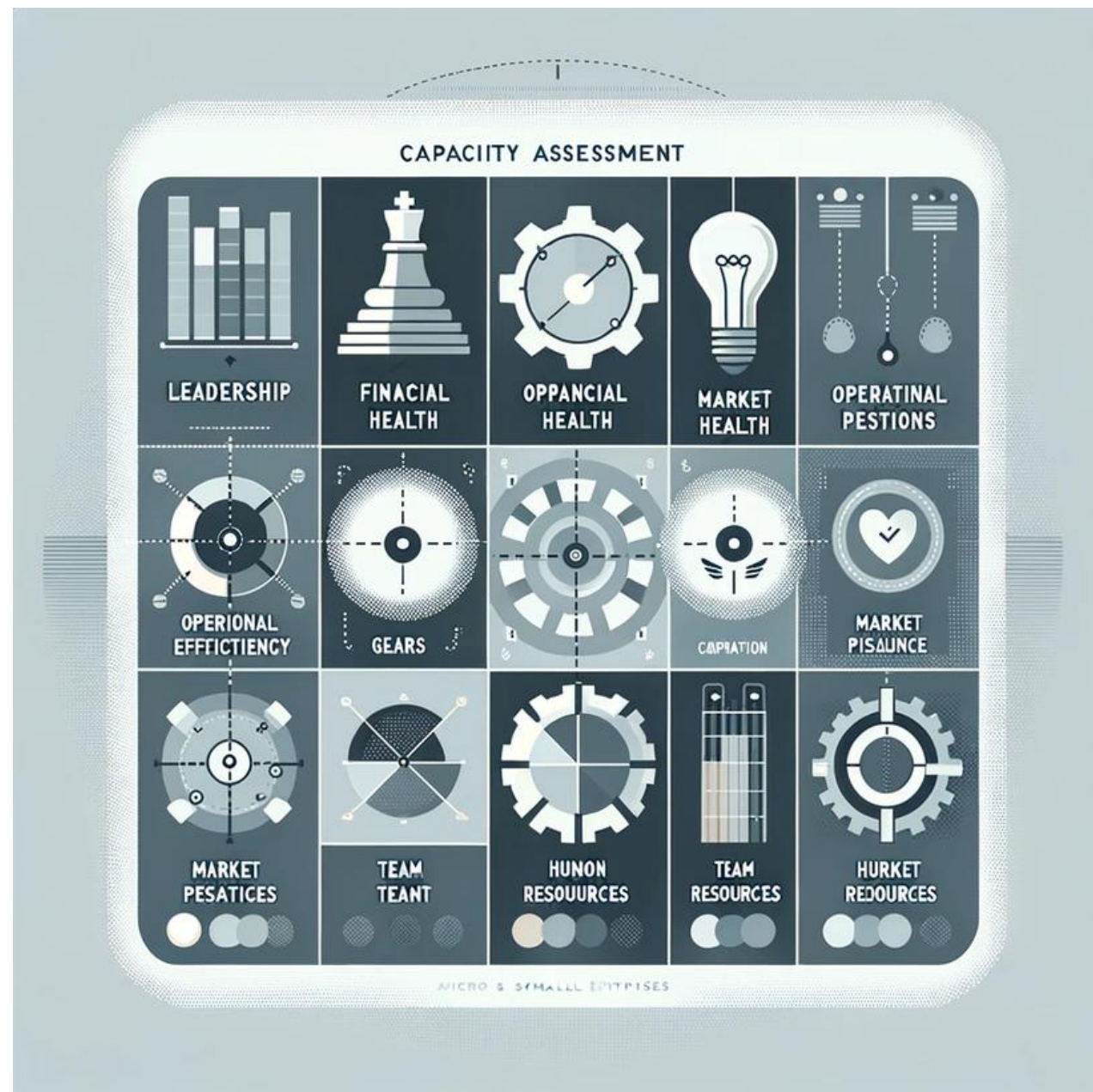


**Capacity assessment tool for micro and small enterprises (CANARI).** A capacity assessment tool for micro and small enterprises is designed to evaluate the internal capabilities and readiness of these businesses to achieve their goals, manage growth, and respond to challenges. Given their size, such enterprises often face unique challenges and opportunities, making a tailored approach to capacity assessment vital.





# Capacity assessment tool for micro and small enterprises (CANARI)



Focused on addressing the unique challenges and leveraging the strengths of micro and small enterprises, CANARI provides a comprehensive assessment across key areas.

This tool aids in identifying gaps, highlighting strengths, and formulating targeted strategies for sustainable growth and resilience.

Online English version: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://canari.org/wp-content/uploads/2020/06/CANARI-LGE-Radar-Toolkit.pdf](https://canari.org/wp-content/uploads/2020/06/CANARI-LGE-Radar-Toolkit.pdf)

# Capacity building toolkit





**Toolkit for capacity development.** The Toolkit for capacity development is a set of eight instruments, generally structured as a matrix, aimed at assessing sector and/or institutional capacity (actors, roles, processes and results).









What is the best approach to choose assessment tools ?



Let's discuss!

# Implementing OCA Tools

## Best Practices for Implementing OCA Tools

### **Inclusive Approach:**

Involve a broad range of stakeholders to get a full perspective.

### **Clear Communication:**

Ensure everyone understands the purpose and process of the assessment.

### **Regular Reviews:**

Conduct assessments at regular intervals to monitor progress and adapt strategies.

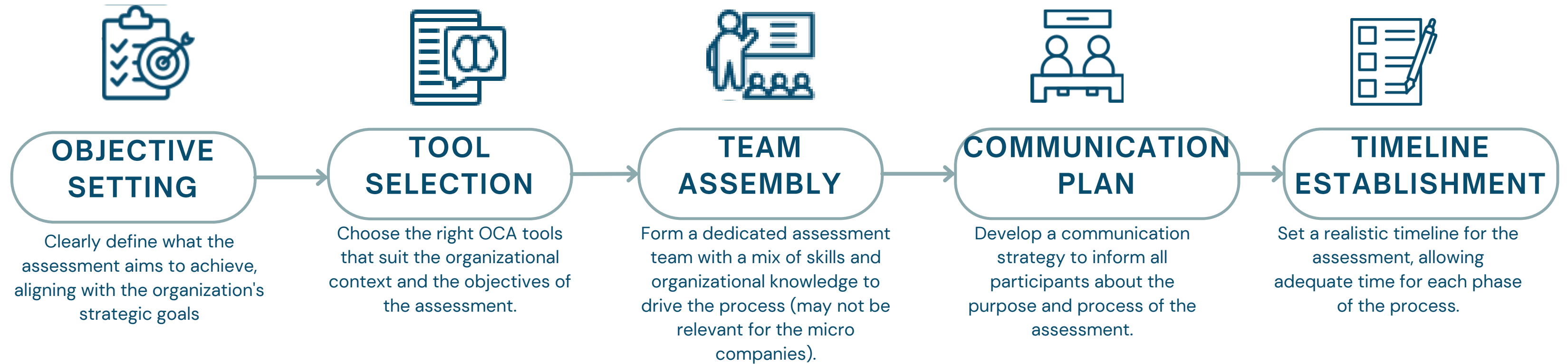
### **Follow-Up Actions:**

Develop and implement a plan to address the findings of the assessment for continuous improvement.



# PRE-ASSESSMENT PREPARATIONS

Laying the Groundwork for Capacity Assessment



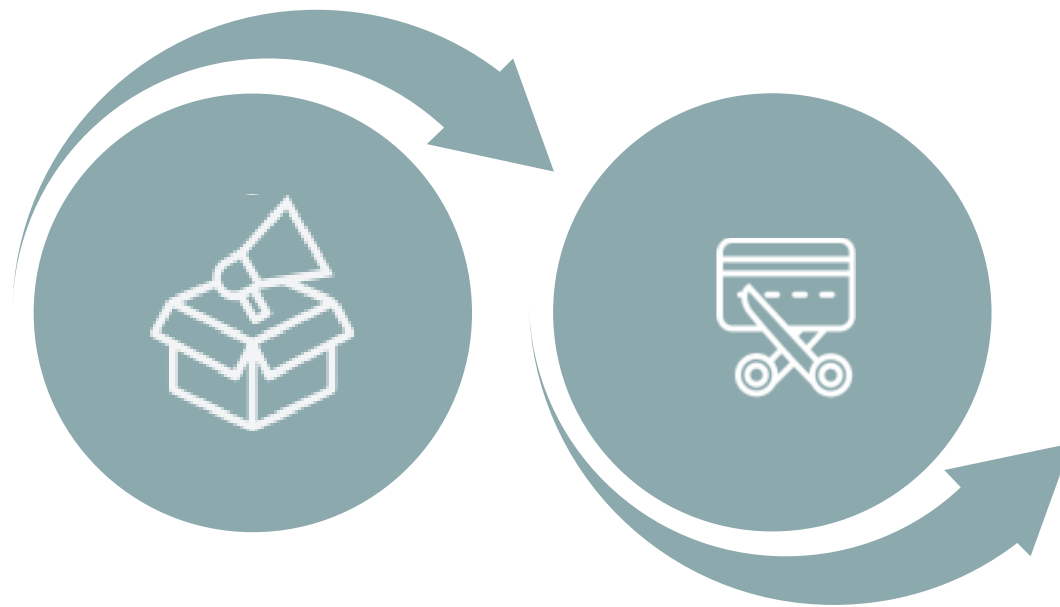
# Analyzing Assessment Results

## Recognizing Weaknesses:

Objectively identify and acknowledge areas where the organization falls short in capacity.

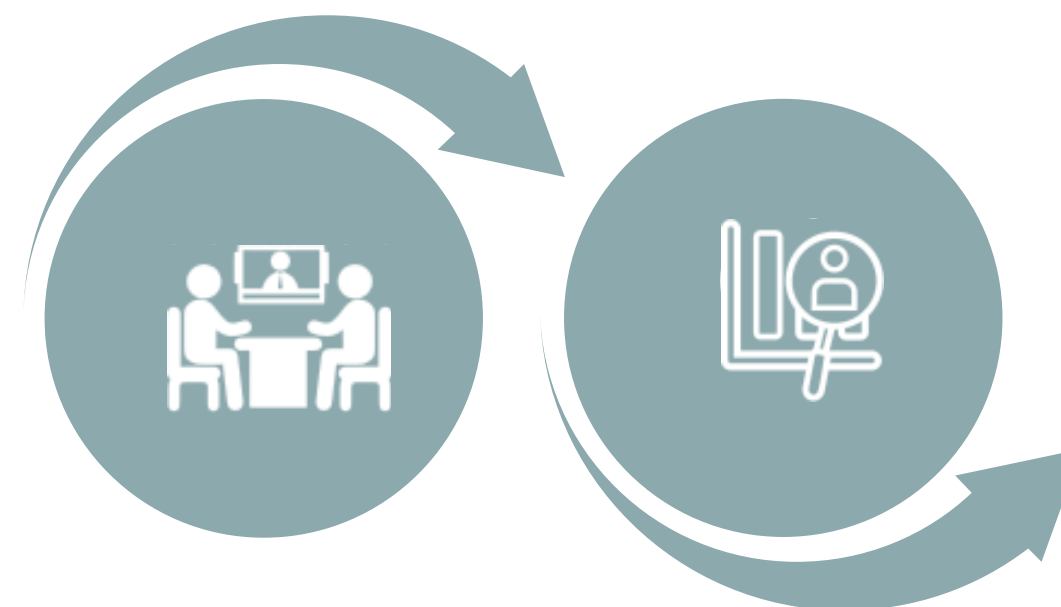
## Benchmarking:

Compare results against industry standards or similar organizations to contextualize performance.



## Highlighting Core Competencies

Utilize data to pinpoint the organization's inherent strengths and areas of competitive advantage.



## Balanced Viewpoint:

Strive for a balanced assessment that appreciates positive aspects while being candid about areas needing enhancement.



## Employee Insight

### Incorporation:

Incorporate feedback from employees at all levels to ensure a multi-dimensional view of organizational capacity.





# THANK YOU

Have any question?

