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CompassPoint Nonprofit Services: Strengthening the Capacities of Nonprofits (1971–2008)

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CompassPoint Nonprofit Services is a nonprofit organization that delivers cutting-edge research and support services to the nonprofit community. Over its 30-year history, CompassPoint has transitioned from a small management support agency into a nationally-recognized leader in nonprofit capacity building and nonprofit management research. Through its strong internal operations and external connections, the agency has been able to stay current on the multiple challenges facing the local and national nonprofit community. CompassPoint has been a valuable resource for the nonprofit sector as it has struggled to retain its identity over the past 30 years, in relation to political and economic changes that have altered the functioning of the sector as a whole.

KEYWORDS *Organizational history, nonprofit management, nonprofit research, capacity building*

INTRODUCTION TO COMPASSPOINT NONPROFIT SERVICES

The people who devote their lives to nonprofit work help millions of Americans receive services to lead a better life, at salaries far below the for-profit sector. Many of these individuals are women and people of color who regularly assume leadership positions, a less common phenomenon in the

All written and verbal sources used to develop this case study can be found in the Appendix B.

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for-profit world. The unique qualities that nonprofit leaders possess make the work that they do all the more important. To be effective, nonprofit leaders need to acquire management skills to effectively meet the needs of the communities they serve. Public contracting with nonprofits has increased the need to strengthen the organizational capacities of nonprofits. This is the history of one nonprofit established to strengthen the organizational capacity of nonprofits of San Francisco Bay Area known as CompassPoint Nonprofit Services.

CompassPoint has evolved into a nonprofit capacity-building organization that has delivered cutting-edge management support services to Bay Area nonprofits for over 30 years and has earned the reputation as a national leader in nonprofit management research. Over the course of its history, CompassPoint has transitioned from a small management support organization (MSO) to become a national leader in the nonprofit sector.

CompassPoint currently operates (2008) on a budget of over \$4.6 million (see Appendix A) with 20 full-time and 4 part-time employees. One-third of the staff is male, two-thirds is female, and half are people of color. CompassPoint hires over 30 external workshop presenters each quarter. The eight-person racially-diverse Board of Directors is comprised of four female and four male members who are mostly from the nonprofit sector.

CompassPoint's mission is "to increase the impact of nonprofit organizations and the people who work and volunteer in them" by: (a) delivering high-impact capacity-building services to community-based organizations and the individuals working and volunteering in them, (b) refining these services through feedback from clients and their own field experience, and (c) capturing best practices in nonprofit capacity building by conducting research, producing publications, advocating through OpEds and speaking at conferences around the country.

CompassPoint works with nonprofits in the Bay Area and beyond. The main office is located in San Francisco and a satellite office in Milpitas serves Silicon Valley. CompassPoint delivers a multitude of services including professional development, conferences, coaching, peer learning and research. For example, in 2007 the agency facilitated 394 workshops, consulted with 142 clients, delivered executive transition services to 62 clients, placed 26 executive coaches at organizations in need, received an average of 938 visits to their website per day, and totaled 48,885 newsletter subscribers to Board Café and 6,669 newsletter subscribers to TalkingPoint.

CompassPoint's revenue is a combination of philanthropic donations and earned income from workshops, consulting, and publications. Corporate and private organizations help finance conferences through in-kind and cash contributions. Chevron continually finances the agency's annual Nonprofit Day conference, with 850 people in attendance in 2008. CompassPoint facilitates other local conferences and agency representatives speak at engagements all over the country. CompassPoint is often approached for nonprofit

capacity-building services, attesting to the important role that conference participation has played in developing their reputation.

CompassPoint's in-house and contracted consultants provide individualized coaching to nonprofits, statewide and national organizations, foundations and government agencies. The agency's capacity-building services offer a unique approach by creating individualized plans to meet client needs, rather than using a "one size fits all" template. To help clients reach their full potential, CompassPoint teaches organizations how to diversify their funding, use technology, engage in strategic planning, manage human resources, support board development, participate in mergers, and manage cross-sector partnerships.

CompassPoint provides nonprofit leaders with opportunities to develop their skills through the Leadership Learning Path (LLP) Program. CompassPoint and San Jose State University (SJSU) offer classes that allow students to work towards a SJSU Certificate in Nonprofit Management. The Silicon Valley Nonprofit Resource Center, in cooperation with the San Francisco Foundation Center, offers a collection of over 200 publications on topics related to nonprofit management.

CompassPoint has earned a reputation for its research and publications. The agency has conducted multiple nationwide surveys on the causal factors and adverse effects of executive transition. Two reports ("Daring to Lead") uncovered vital information about the issues that impact the decision to leave the executive director position. A third report ("Ready to Lead?") focused on the next generation of leaders based on a survey of 5,700 nonprofits to identify those in the leadership pipeline. This timely body of research has received considerable national attention and has helped CompassPoint to improve its leadership transition services.

While CompassPoint has become an influential force in the nonprofit sector, it is important to understand its humble beginnings.

THE 1970s AND 1980s

The Support Centers of America (SCA) was a national nonprofit comprised of MSOs around the country. Established in 1971, SCA opened its San Francisco office in 1975 and at its peak included 12 support centers nationwide. The San Francisco office, one of SCA's most successful and lucrative branches, eventually became an independent organization and after multiple subsequent mergers became CompassPoint Nonprofit Services in 1999.

In 1971, John Cook and Bob Orser established the Public Interest Management Association (PIMA) in Washington DC. In 1972, PIMA changed its name to the Support Center. John Cook, a graduate of Harvard Law, was an unconventional thinker influenced by the philosophies of cooperatives and collectives that were popular in the late 1960s and early 1970s. He

envisioned a national center with a centralized headquarters that organized and supported affiliates all over the country. Orser did not share the same vision and philosophical differences caused a rift between the two founders. In 1977, Orser left the Support Center to start the Management Center, while Cook continued to lead the SCA until his death in 1992.

In its early years, the San Francisco branch of the Support Center focused on financial management workshops and was funded by government contracts. In 1980, Jude Kaye joined the staff of the San Francisco office. A graduate of the London School of Economics, Kaye found herself keeping the books as a part-time employee for three Bay Area nonprofits. When she had questions about financial management, she would call the Support Center. Soon she joined the Support Center and offered financial management consultation to other bookkeepers.

The nonprofit sector was in great need of financial management support at this time. Nonprofit directors were focused on service delivery and often did not have a “business-mind” for finance. Funders demanded little accountability from their grantees and, as Kaye recounts, money management was a dirty word in the field. The Support Center set out to change this situation by emphasizing accountability and good recordkeeping. As she noted, the Support Center showed people that they didn’t have to keep financial information in “a shoe box.”

Between 1976 and 1983, three executive directors led the San Francisco Support Center. During these years, the Support Center provided services based on the expectations of its funders and the interests of its staff. The size of the Center ebbed and flowed with the contracts that funded the organization. For example, when the political support for juvenile justice providers declined in the early 1980s, the Support Center lost nearly all of its funding. Though the staff had grown to eight at the 1970s, only three employees remained in 1983. One of these employees was Rick Smith, hired in 1981 after serving as the executive director at a small advocacy organization.

With the loss of government contracts and a budget of \$70,000, the staff began to rebuild the Center as interest in management support grew throughout the nonprofit sector. The field of management support had become crowded; however, funders did not yet support the concept. To distinguish their organization and actively compete for funding, Kaye and Smith tried a different approach to nonprofit management support. In the early 1980s, consulting firms had become popular in the business world. The San Francisco Support Center sought to replicate the model in the nonprofit sector. Until then, most nonprofit consultation had been provided by volunteers, many of whom were retired executives from the business world. The Support Center wanted to demonstrate that consultation could be delivered from within the nonprofit sector and move beyond traditional one-on-one consultation to become a training organization with a broader reach.

The Support Center's unique approach helped it succeed in the early years; however, other factors contributed to the agency's survival in the increasingly competitive environment. The San Francisco Support Center had a national organization behind it that provided vital resources and training, as well as financial support, funding contacts, and training expertise that other independent MSOs in the area did not possess. These advantages helped the Support Center to establish a strong footing in the Bay Area.

Key staff changes in 1983 and 1984 also played role in grounding the agency. Kathleen Schuler resigned as Executive Director and Rick Smith stepped into her role. Smith's promotion marked a turning point for the organization. He would be the first executive director to have a lengthy tenure in the position (1984–1993), which helped the agency expand with a consistent vision. During Smith's tenure, the Support Center would develop from a small MSO in a field of many to the leading consulting firm for nonprofit services in the Bay Area.

In another key staffing decision, Smith hired Jan Masaoka. A Bay Area native, Masaoka had been an active member of the nonprofit sector before coming to the Support Center. Hiring Masaoka reinforced the practice of hiring experts from within the nonprofit sector rather than from the business world. Masaoka's reputation as a multi-talented nonprofit business professional continued to grow during her more than 20 years with the agency and she played a key role in shaping the organization to become a nationally-respected source of management support in the nonprofit sector. Smith, Kaye, and Masaoka began building the agency's reputation by offering workshops (often full to capacity) that served as a unique marketing tool as word spread throughout the local network of nonprofit professionals. These workshops also provided a critical funding stream for the organization.

Much like any emerging market, MSOs in the 1980s experienced mergers and acquisitions and the Support Center in San Francisco was no exception. As it expanded its scope, the Center found itself competing with other MSOs for funding and began to explore mergers and partnerships with some of these organizations. This trend of partnering and merging would become a key aspect of the Support Center's (and now CompassPoint's) future success.

The Community Training and Development Center (CTD) (founded in 1976, became a nonprofit in 1982) provided volunteer-led management workshops and consulting in the Bay Area. The Support Center and the CTD found themselves engaged in similar work. As the Support Center increasingly emphasized training over consulting, the overlap in services grew and it was not long before conversations about a merger began between Rick Smith and Paul Harder, the Board Chair of CTD. At the time, CTD was experiencing financial difficulties and the executive director position had become vacant, leaving the door open to blend the staff and boards of the two organizations. The merger was completed in 1987 with Harder as the Board Chair and Smith as Executive Director of five employees. Shortly after

the merger, the Bank of America threw a luncheon inviting nearly 50 local funders to the event to increase support for the newly merged organization and raised over \$250,000 for the Support Center.

By the end of the 1980s, the Support Center had grown as a result of their streamlined high-demand services. The staff not only responded to the needs of struggling nonprofits but also began to define nonprofit management support by addressing topics that emerged from consultation and training. Though it would not change its name for another 10 years, the Support Center entered the 1990s providing a compass for the local nonprofit sector.

THE 1990s

The early 1990s were a time of development for the Support Center. The agency offered workshops on board development, volunteer management, fundraising, financial management, and marketing. The impact of technological developments was reflected in the types of workshops offered and the funders subsidizing them. For example, the Telecommunications Education Trust Program provided a two-year grant for \$66,000 in 1992 to support the development of workshops on telecommunications including networking, voicemail, and phone systems. That same year, Apple Computers donated 10 PowerBook laptops for workshops, which enabled the facilitators to “put them in the trunk and set up a computer training room almost anywhere.” Other workshops included Microsoft Word, Macintosh FileMaker, and fundraising software, and advice on how to use modems to access the internet.

Issues of diversity were also at the forefront of the agenda in the early 1990s and continue to this day. Managers were encouraged to explore gay, lesbian, and bisexual awareness as related to nonprofit management. Other topics addressed in the workshops included time management, conflict resolution, teambuilding, and grief in the workplace. In 1992, these workshops generated \$230,000, which was nearly one third of the agency’s revenue. Presenters were diverse and workshops were offered on a sliding scale based on the budget of the participating organizations.

Beyond its workshop offerings, the Support Center was also responding to specific community needs such as AIDS service organizations (ASOs). As AIDS became a national epidemic in the 1980s, San Francisco experienced a health crisis of epic proportions and was an epicenter for first responders in the early years of the epidemic. As the virus spread, nonprofits were formed to respond to the growing need for medical assistance, emotional support, and legal advocacy. As the number of Bay Area ASOs quickly grew, they experienced challenges in coordinating with each other and navigating the government contracting system. Many of these ASOs floundered as they

sought to develop efficient management capacities in financial accounting, grant-seeking, personnel management, and accountability. In the early 1990s, the San Francisco AIDS Office engaged the Support Center to create the AIDS Agency Management and Assistance Program (AAMAP) to provide management support to the ASOs that were funded by the County. Consultation to ASOs addressed a variety of issues and helped them meet the requirements of their government contracts. The program was a huge success and by the second year, the program was operating with a \$98,000 budget.

The early 1990s also marked the streamlining of the Support Center's consulting services. Since merging with CTD, consulting services were provided by both paid and volunteer staff. In 1992, the agency developed a consulting program to integrate the paid and volunteer consultants. The program was called the Support Center Consulting Group (SCCG) and offered individualized training, group workshops, and consulting on management and computer topics. In its early years, volunteers were partnered with staff on large projects. Since high-quality volunteers were difficult to find for the Center's workshops that were in high demand, the volunteer aspect of the program was dissolved and all consulting services and workshops were provided by paid staff or contracted consultants.

During this time, the Support Center decided to offer its sliding scale services at a more competitive rate. This decision reflects not only the demand for services but the organization's marketing message that their product was of the highest quality and up to business consulting standards. By 1992, revenue from the SCCG exceeded budget projections. As the Support Center continued to grow, it became clear that it needed to strengthen its own development practices. In late 1992, the organization applied for and received a \$25,000 grant to hire a part-time development director.

Also in 1992, changes at the national and local level had left vacancies in the agency's administration. In a sad turn of events, John Cook, the founder and visionary leader of the SCA, passed away from cancer. As the father of the organization and the philosophical leader of its operations, his death was a personal and a professional loss for the SCA. The National Board decided to look for Cook's replacement within the organization. Through his tenure as Executive Director in San Francisco, Rick Smith emerged as the most obvious successor. Smith negotiated to have the national headquarters moved to San Francisco and became the national director shortly after Cook's death. Masaoka was named interim director of the San Francisco branch and the search for an executive director began.

With funding from the San Francisco Foundation to support an executive search, applications were submitted and interviews were scheduled. By this time, Jan Masaoka had developed a formidable reputation in the field of nonprofit management and was known for excellence in teaching finance, accounting, and nonprofit management. She was also a passionate supporter of grassroots organizations and noted the changing public perception of

nonprofits, realizing that the public was becoming more critical of nonprofit operations which demanded increased transparency. She wanted the Support Center to help nonprofits respond to this criticism and thrive in the face of it.

Smith and the Board were convinced that Masaoka was the right person for the job and on July 1, 1993, Masaoka was appointed the Executive Director and the first Asian-American executive director of any branch of the Support Center of America. She took the helm with a vision of increased entrepreneurship and a unique perspective on the relationship between MSOs and community-based organizations. Rather than act as a doctor to a sick patient, Masaoka believed MSOs should see themselves as coaches.

By 1993, San Francisco's Support Center was the most successful of all 12 SCAs and had a budget of \$670,000, which was more than twice the size of New York's budget (SCA's 2nd largest branch) and more than three times the size of the D.C.'s budget (SCA's 3rd largest branch). A Client Advisory Council was approved by the Board to capture the perceptions of a wide variety of grassroots community organizations. At the first meeting, council members were encouraged to consider two questions: (1) what did their own organization, and the organizations of their peers, need in order to be more productive? and (2) how could the Support Center improve its services in order to help local organizations meet their goals?

As the Support Center's budget grew, so did the need to produce a marketing plan that would help the agency become more visible. A consultant was hired to survey Support Center clients and audit the organization's marketing practices. The consultant's final report offered the following recommendations: (a) Support Center staff should volunteer more often in the communities of the nonprofits they served, (b) the Support Center should co-sponsor special events in addition to the annual Nonprofit Day conference, and (c) the Support Center should create a newsletter that shared its accomplishments with its clients and the sector. Since this report, CompassPoint has published a variety of newsletters including *Board Café* (now part of the independent partner online magazine, Blue Avocado), and more recently *TalkingPoint*, a newsletter about the newsworthy items in the Bay Area nonprofit sector. The organization is also known for publishing the comic strip *Planet 501c3* that brings levity to the more frustrating aspects of nonprofit culture and encourages the sector to laugh at itself.

In response to the recommendation for more events beyond Nonprofit Day to increase their local and national profile, the Support Center hosted a conference in November of 1993 for the Technology Resource Consortium that included a unique multi-media social event at Fort Mason. By this time, Support Center employees were beginning to appear at conferences across the country, sharing the organization's unique approach to client-centered nonprofit capacity building. Grant funds from the Evelyn and Walter Hass Jr. Fund helped the Support Center develop tools to help agencies manage diversity issues.

Grant money from Haas also allowed the Support Center to respond to the requests for guidance on board member recruitment. Another local MSO, the Management Center, had recently ceased operating its Board Bank program, leaving a gap in board nomination assistance in the Bay Area. With Haas funding, the Support Center collaborated with the Volunteer Center, another local nonprofit that links volunteers to organizations, to create a board placement program called Board Match Plus in 1995. At the conclusion of its first year, Board Match Plus enrolled 80 board candidates and 60 organizations and over half of the candidates were matched with over half of the organizations enrolled. By 1996, Board Match Plus was one of the Support Center's most sought-after services. Funding for the program was awarded by the Packard Foundation as well as corporate funders such as Wells Fargo Bank and Bank of America.

Also in the early 1990s, the Support Center noted an increased interest in its computer and technology support services. With the Board's assistance, the agency established a system for assessing computer systems utilization and availability in nonprofits. They began offering "volume computer training" to larger organizations. Organizations were able to purchase 100 computer workshops for a fixed rate of \$10,000 dollars and employees of these organizations were encouraged to retake workshops if they needed to do so at no extra charge. Other developments included continued assisting seven local AIDS organizations (through AAMAP), with efforts to replicate the program in Alameda County (in partnership with the Alameda County AIDS Office). The addition of a director of development helped the organization secure additional grants of up to \$50,000 from a variety of public and private sources and the Support Center also began taking its first steps towards publishing research on capacity building.

By 1994, San Francisco was the flagship program for the SCA. This position had its advantages and disadvantages. As the national office moved to San Francisco in 1993, the staff at the Support Center of San Francisco looked forward to sharing the burden of the office rent and other operational costs and made plans to address any confusion about identity that might occur from having a branch and national office in the same location. Unfortunately, the relationship between the two staff groups did not remain as positive. The local Support Center staff wanted a more entrepreneurial and autonomous organization and felt hindered by the control of finances and major decisions by the national staff. To support some of the centers that regularly ran at a deficit, the national office often asked San Francisco to help cover costs. It was clear that issues at the national level were having a negative impact on the local organization's image among stakeholders. For many staff, the irony that their organization was offering financial management advice while having trouble managing its own finances was demoralizing. There was fear that more mistakes by the national office would cause long-time funders to abandon the Support Center. The frustration caused by these issues led to

staff burnout and was lowering their motivation to provide workshops and consulting services.

Between the growing unrest and fears of the employees of the local Support Center, it was clear that the local agency would need to find a new way to operate. Throughout 1994, a philosophical rift between the national office and the staff in San Francisco emerged. National office representatives maintained the centralized vision of the organization that featured all branches helping each other to become as strong as San Francisco. By contrast, San Francisco was calling for increased independence in order to manage its own finances and pursue a more entrepreneurial path. Eventually, the call for independence won out. By late 1994, the national office decided to allow each branch to pursue its own incorporation.

Upon its independent incorporation, the San Francisco office decided to change its name to Support Center for Nonprofit Management (SCNM) to more clearly articulate its mission to its clients, funders, and the sector. The nonprofit sector was thriving and SCNM viewed itself as an active participant in the growth and development of the sector. On June 9, 1994, SCNM put on its best Nonprofit Day conference to date with \$30,000 from Chevron. The event attracted over 700 participants that were attracted, in part, by a high profile keynote speaker.

SCNM continued to expand in 1995. The development director successfully solicited new funders, including the Gap Foundation (\$10,000) and the organization was beginning to receive national recognition for its publications. Jan Masaoka and Mike Allison co-authored a chapter for a book on Trusteeship published by the University of Indiana. Their chapter, entitled "Why Boards Don't Govern" was based on SCNM's experience in providing board support and development. Masaoka also contributed to a publication by the national Minority AIDS Council entitled "Action Handbook for Boards of AIDS Service Organizations." The geographical scope of SCNM was also expanding as it began offering services as far south as Monterey Bay and began publishing a monthly advice column in the Marin Council of Agencies newsletter, answering nonprofit management-related questions posed by local agencies. The agency was also expanding its workshop series by including evening and weekend workshops for nonprofit professionals and those desiring to join the sector who could not attend day time classes.

Meanwhile, SCNM continued to lay the groundwork for separating from the national organization. The Board played a critical role in assisting with the preparation of the incorporation documents and by-laws, as well as developing a plan for separating finances. With incorporation papers approved in December 1995, board members helped the organization file for tax exemption status and secure a Federal Employer Identification Number. In April of 1996, one board member obtained a line of credit for both the independent organization and the national office, and the two branches

established their own bank accounts. By July of 1996, SCNM was in total control of its own payroll and had terminated all connections with the national office by 1997.

SCNM continued to increase its profile by hosting and participating in multiple conferences. The annual budget for the organization was approximately \$3.5 million. Their financial success and high quality programs drew the attention in 1997 of the Nonprofit Development Center (NDC). NDC was a 20-year-old organization that began as a project of the South Bay Junior League under the name of the Grantsmanship Resource Center (GRC). Located in the South Bay at the Santa Clara Community Foundation, GRC was staffed entirely by volunteers. In 1986, the project hired its first part-time paid staff person and by 1988 NDC had become incorporated. With a budget that grew from \$38,000 to \$200,000, NDC offered workshops that were primarily led by volunteers.

By the mid-1990s, NDC was struggling financially and felt that joining with SCNM would allow the organization to continue offering services while financially staying afloat. While SCNM wanted to make sure that a merger would enhance its mission, NDC wanted to make sure that their organization would not be completely absorbed and disappear into SCNM. From the beginning, the administrative staff at NDC expressed their desire to maintain a leadership position during and after the merger. The Board played an active role in helping to prepare the two organizations for the transition. As the merger approached, SCNM worked to alleviate the concerns and anxieties of NDC leadership. For example, to preserve NDC's autonomy, its office remained in the Silicon Valley office. In the years that followed the merger, Masaoka made a concerted effort to be present at the Silicon Valley location at least one or two days a week, and responded to staff concerns.

The merger clearly required all parties to make many adjustments. The two boards needed to get to know one another in order to work cohesively and addressing financial matters was crucial as SCNM absorbed the deficit from NDC. In August of 1998, at the first blended board meeting, a representative from Pac Bell presented the Board with a check for \$10,000 made out to the merged organization (Support Center/Nonprofit Development Center, or SC/NDC). Masaoka and Support Center board members viewed this donation as a symbol of SCNM's commitment to fully incorporate NDC into the organization.

Shortly after the merger, it became clear that the name SC/NDC lacked the marketing punch that the agency needed. In early 1999, a marketing firm was recruited to help the naming committee select a new name. In September of 1999, the Board unanimously approved the name CompassPoint Nonprofit Services, which would be announced in January of 2000 with a new logo. Masaoka and the Board worked tirelessly to engage the South Bay nonprofit and business community, as well as maintain communication with their own

funders, as a newly merged organization. The 1999 budget was over \$4.2 million and would continue to grow over the next two years, reaching its peak of \$5.5 million in 2001.

2000 AND BEYOND

In her first report to the Board in 2000, Masaoka noted, "I'm writing this on Day 2 of the name change and am very happy and relieved to say it's going well." She described the name as a big leap forward and one that would take time for all stakeholders to accept, but she shared the excitement generated by the new signs in the hallway and the new letterhead. The new name was featured in open houses in both San Francisco and Silicon Valley. Balloons with the new organizational colors, blue and green, and compass-shaped cookies helped bolster the new imagery. In order to help staff adjust to the change, a lighthearted art contest was held in which employees were encouraged to make a work of art out of their old business cards.

The name CompassPoint reflects the vision of providing directional guidance in the field of nonprofit organizational capacity building. The organization had many accomplishments in early 2000, such as securing a \$150,000 grant to support development of workshop curricula, launching a marketing study on consulting with nonprofits in the Bay Area, and implementing a \$70,000 grant from the Northern California Grantmaker's Task Force on AIDS to assist African-American AIDS organizations with board recruitment and development.

CompassPoint came to be known as an organization that had successfully changed its name. Given their history of supporting so many organizations, it is no surprise that some of those agencies began asking the CompassPoint staff about how to successfully change their own name. Eighteen months after the merger, the director of the Silicon Valley office stepped down but remained a consultant for the organization. This transition allowed both offices to reassess their experiences since the merger. An emphasis was placed on finding an executive director for the Silicon Valley site who could help increase the independence of the Silicon Valley office in fundraising and operations.

In January of 2001, Masaoka was invited to participate in a speaking tour on nonprofits in Japan. She gave six speeches in five cities about nonprofit-government relationships in the United States. Masaoka also participated in three nonprofit-related forums and was interviewed for a news article. The trip gave Masaoka the opportunity to share information about the Japanese nonprofit sector with Bay Area nonprofits and raised the profile of CompassPoint abroad.

In 2001, CompassPoint's newsletter *Food For Thought* was replicated in the South Bay with items that were particularly newsworthy to the South Bay nonprofit sector, allowing the organization to showcase the distinct needs and accomplishments of the South Bay. CompassPoint also held its first event in Contra Costa County to bring together 300 representatives from local nonprofits and over 55 funders (including corporate and foundation representatives and major donors).

Unfortunately, as quickly as the economy in the Bay Area had boomed, it began to bust. In May, the third annual Technology Conference was impacted by concerns over the flailing dot com market. Even though 460 people attended the conference, it raised less money than the year before and required more staff effort. CompassPoint also experienced turbulence as the newly hired director of Silicon Valley suddenly resigned, highlighting the differing cultures of the two regions (San Francisco and the South Bay) and the obstacles to successfully integrating both organizations. These cultural differences would continue to emerge as CompassPoint worked to straddle the nonprofit sectors of two distinct communities.

In spite of the economic strife of the region, the year 2001 was still a productive year as CompassPoint launched the program Capacity LEAP (a three-year initiative to build the capacities of selected ASOs), drew increased support for Nonprofit Day with Chevron supplying a grant of \$50,000 for the conference (which had become the largest nonprofit conference in the Bay Area), an Executive Coaching program with a grant from the Richard and Rhoda Goldman Foundation of \$150,000, and an award from Deaf Counseling, Advocacy and Referral Agency to help make services accessible to deaf people.

The terrorist attacks of September 11, 2001, greatly affected the staff of CompassPoint. Both offices closed for the day and staff joined together to support each other. Following September 11, nonprofits in the Bay Area and around the country witnessed an increase in the emotional and financial needs of their clients. As the economy struggled and the nation mourned, CompassPoint's support to nonprofit organizations became even more crucial. To prepare for the growing needs of their clients in a struggling economy, CompassPoint identified the messages they wanted to send, the vehicles to send the message, the target audiences and the practical tools that those audiences would require. The agency provided additional financial planning services in the face of the growing recession and addressed these issues through workshops and conferences, in opinion editorials, and consulting services.

Despite the slowing economy, CompassPoint increased its volume of published research in 2001. The organization published a report on the co-location of nonprofits in San Francisco. The other, more notable report was the first study on Executive Transitions, *Daring to Lead: Nonprofit*

Executive Directors and Their Work Experience. In early 2002, the organization also published a study on the nonprofit workforce called *Help Wanted* that resulted from the discussions of the board-staff Workforce Task Force.

CompassPoint also created a Partnership Impact Review tool to monitor its many partners, which included CompuMentor, the Center for Excellence in Nonprofits, and the Nonprofit Insurance Alliance of California. In 2002, CompassPoint released a manual on how to adapt QuickBooks for nonprofit use and worked with Business to Philanthropy (in Chicago) to market their QuickBooks modification called NonprofitBooks. Additionally, CompassPoint kicked off a board recruitment and matching program for Silicon Valley nonprofits called Board Connection.

As the organization continued to expand its consulting and research practices, it became clear that the term “management support organization” no longer truly described the work of CompassPoint. Rather than simply operate as a broker of services, the organization was increasingly engaged in research and curriculum development, and beginning to fulfill its promise to be a compass, or guide, for the nonprofit sector. CompassPoint was also pioneering new methods of training and consulting by helping launch e-learning training programs for their clients.

Two new research studies were launched in 2003. One was a survey of 49 women of color in leadership positions that found that the women executive directors of color were better educated and had more management experience than executive directors in general. The other study supported increased investment in facilities for nonprofits. The agency’s 2001 study, *Daring to Lead*, continued to gain recognition as it drew important conclusions related to executive burnout and the causes of executive exit. The California Wellness Foundation approached CompassPoint to develop a statewide sabbatical program for executive directors of health nonprofits (six awards of \$30,000). Finalists were selected by CompassPoint and the process enabled the agency to build relationships with new agencies.

As the American economy continued to flounder in 2003, CompassPoint had to lay off four staff members and the work hours for several more were cutback. Staff salaries were cut by 5% for staff earning under \$50,000 a year and 7.5% for staff earning over \$50,000. Consultant rates were cut by 10% and many travel and other expenses were cut. Masaoka, the administrative team and the Board worked together to address underlying structural issues to help the agency transition to a less costly model without having to ask staff to make further sacrifices. Based on considerable effort on the part of the administration and the Board, the organization’s finances were back on track by the end of 2003. The organization also celebrated the completion of a year-long assessment of its Executive Coaching program that was conducted in cooperation with Harder and Company. As part of the study, coaches were assigned to work with 25 new executive directors for a year. The study

marked the first efforts to document the impact of executive coaching on the nonprofit sector.

In 2004, the Management Center of San Francisco, an organization started by one of the founders of SCA, explored the possibility of a merger with CompassPoint. After some deliberation, it was decided that the Management Center would auction off its programs and close their business. CompassPoint obtained the Management Center's ED 101 program. In 2004, CompassPoint also launched the Finance Professionals Network (membership dues served as revenue in exchange for discounted workshops and networking events), created e-learning program for employees of Cisco Systems who wanted to volunteer for nonprofits or join nonprofit boards, and held an all-day forum for the Women Executive Directors of Color. For the fiscal year of 2003–2004, CompassPoint's broke even and benefited from the fiscal changes made during difficult times.

In 2005, CompassPoint celebrated its 30th anniversary with a reception at the Nonprofit Day conference and later at a more intimate "family and friends" dinner in the fall. Also in 2005, Mike Allison and Jude Kaye's published the book *Strategic Planning for Nonprofit Management* and Jeanne Bell published *Financial Leadership for Nonprofit Executives* as part of a five book series in partnership with Wilder. Masaoka also formed a "Reinvention and Design Team" to develop structural and procedural changes to improve the agency. As a result, CompassPoint built its website as the hub for agency operations and created the Program Services Team (formerly separate teams for Training, Consulting, and Executive Services).

The year 2006 marked a time of great change for CompassPoint. Both the Silicon Valley and the San Francisco offices moved to new buildings with the main office located on Market St. in the center of San Francisco's financial district. In May of 2006, Masaoka announced she would be leaving her post as Executive Director. After 14 years, Masaoka was ready to make a professional change; however, she wanted to ensure that her exit was smooth and reflected all the practices that CompassPoint featured in its workshops with other nonprofits. For this reason, Masaoka removed herself from the decision making process (entrusting the Board and key staff to fill her position) and the reaffirmation of the organization's commitment to social justice, support for organizations in communities of color, and finding a balance between being a consulting firm and a nonprofit.

In July of 2006, Chuck Green was hired as the interim Executive Director (a Harvard MBA and former CEO of a nonprofit and a foundation), who had worked closely with CompassPoint over the years as the Executive Director of the Volunteer Center. Green believed that development should be a high priority and applied for four grants in his first week on the job. Despite this forward movement, it was clear that Masaoka's exit would be a big loss for the organization and the Board was certain that they wanted someone who would match Masaoka's national stature.

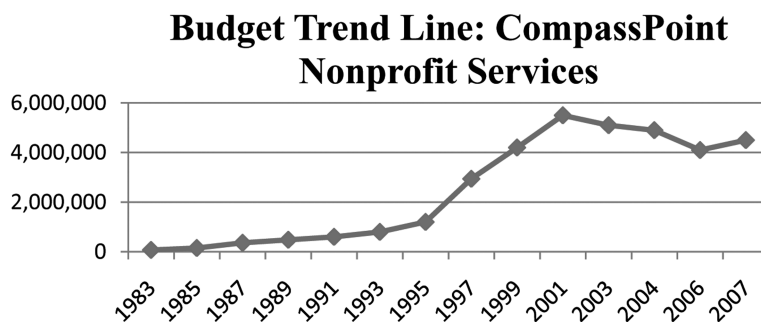
The Search Committee worked with a search firm that had experience with nonprofits and institutes of higher education. The search attracted over fifty applications from experienced nonprofit executives located all over the United States. One of those applications belonged to Jeanne Bell, an eight year employee of CompassPoint who had first worked with the agency as a result of the research she had done for her master's thesis on unions in nonprofits. While the Board had assumed that the new executive director would come from outside the agency, Bell impressed them at every step of the process. The final three candidates were asked to write a vision statement for the organization. In the end, it was Bell's vision that seemed the most in line with the organization and she was hired with much excitement. The response to Bell's promotion from funders was overwhelmingly positive and the Search Committee was commended for the painstaking process they went through to prove Bell would be best.

On April 2, 2007, Bell officially became CompassPoint's new executive director with a commitment to guide CompassPoint as a leader in the field of nonprofit capacity building. In her first year as Executive Director, Bell worked on improving relations with the Silicon Valley community by meeting with Silicon Valley funders and cultivating partnerships with other local capacity building organizations, such as the Center for Excellence in Nonprofits. CompassPoint wanted to send a message about the shared commitment to serve the South Bay in the most appropriate and beneficial manner possible.

CompassPoint also made some strategic internal changes during 2007. Bell's title was changed from Executive Director to Chief Executive Officer, in concert with a growing trend amongst many major nonprofits and foundations. As CEO, Bell continued to focus on strengthening the financial state of the organization. CompassPoint's budget had steadily decreased since reaching its zenith in the late 1990s and Bell emphasized addressing structural issues in order to strengthen the organization's fiscal performance. She also implemented a "Dashboard" for CompassPoint staff that provides concise quarterly reports on the organization's performance indicators.

With a long and accomplished history behind them, CompassPoint continues to adapt to the ever-changing nonprofit sector. A far more competitive landscape exists today in the field of nonprofit management support. Capacity building has become a popular and well-established concept in the 21st century and clients seeking capacity building services are more sophisticated. CompassPoint's long-documented ability to adapt to changes in the sector has allowed them to thrive in spite of these challenges and sustain their strong reputation in the field. The organization's vision of maintaining a grassroots approach to meeting that the needs of individual clients has been reinforced by the fact that executives have been promoted from within the organization. As the staff members of CompassPoint look to the future, their own desire to build their organization's capacity will continue to serve as a model for their clients and the nonprofit sector as a whole.

APPENDIX A: COMPASSPOINT BUDGET TREND LINE



APPENDIX B: SOURCES OF INFORMATION

Interviews

Mike Allison
Jeanne Bell
Paul Harder

Jude Kaye
Jan Masaoka

Rick Smith
Joe Valentine

Documents

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