At TCC Group, we define capacity building as any activity that strengthens the management, governance, and performance of nonprofit organizations, enabling them to better achieve their missions and have greater social impact. Over the years, we have collaborated with funders and nonprofits to design, implement, and evaluate numerous capacity-building initiatives for cohorts of grantees. Following are special considerations to keep in mind when working with nonprofit cohorts.

**Group-based capacity building is a cost-effective way to strengthen nonprofits.**

We know that capacity building requires a commitment of both time and money. However, capacity-building activities are subject to the law of diminishing returns. In other words, more is not necessarily more. In many cases, spreading the cost of capacity building across a cohort of nonprofits rather than funding an individual organization can yield greater results – and a greater return on investment.

**Coaching inspires individuals to grow as leaders and managers.**

Coaching, in which a nonprofit executive receives one-on-one support, is a critical component of a cohort capacity building. Effective coaching helps motivate and support leaders to act in ways that are closely aligned with organizational values.

**Trainings and workshops must be offered conjunction with other strategies.**

Trainings and workshops transfer specific knowledge and skills to people in a group setting. While useful to enhance technical and operational capacities, they are not effective on their own and must be combined with and complement other capacity-building activities.

Peer exchange is powerful strategy for strengthening capacities.

Our research shows that thoughtfully designed and facilitated peer exchanges, where nonprofit leaders meet regularly as a group, are one of the best methods for strengthening leadership, adaptive, and management capacities. Peer exchanges are opportunities to share information and ideas within a cohort. This strategy can be particularly effective in changing an individual’s behavior, a critical aspect of leadership development. Participants are more likely to apply what they have learned than those who have experienced training or coaching alone.

Peer exchange works best when participants have similar levels of experience.

The cohort must truly consist of peers in order for participants to gain maximum benefit. Homogeneity of this sort facilitates development of trust, a sense of group cohesion, and solution-oriented discussions.

Leaders learn when sharing with one another.

Cohorts provide a unique environment for reflecting, challenging, and validating assumptions, which enables learning to take place. Participants are free to share ideas and resources with one each other. These group interactions provide stimulating and dynamic settings where the “whole is greater than the sum of the parts.”