

Growing your Organization

LIFE CYCLES OF NONPROFITS AND
LESSONS LEARNED ALONG THE WAY

Session Presenters



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Learning Objectives

1. An awareness and understanding of different life stages for nonprofit organizations and key assumptions of those stages.
2. Networking with other nonprofit leaders who also are managing through these life stages.
3. Tools and resources to help assess what stage your organization may be in now and ways to help your organization grow.

Why is it helpful to understand Nonprofit Life Stages?

- All organizations change and grow over time.
- Knowing when and how to shift gears – as well as what each gear feels like – helps minimize stress and resistance.
- Leaders and organizations that skillfully project future needs, make decisions proactively and anticipate challenges are generally more successful.
- The ability of nonprofit leadership to recognize and address critical junctures in the life of the organization is vital to the success of the organization.

Nonprofit Life Stages

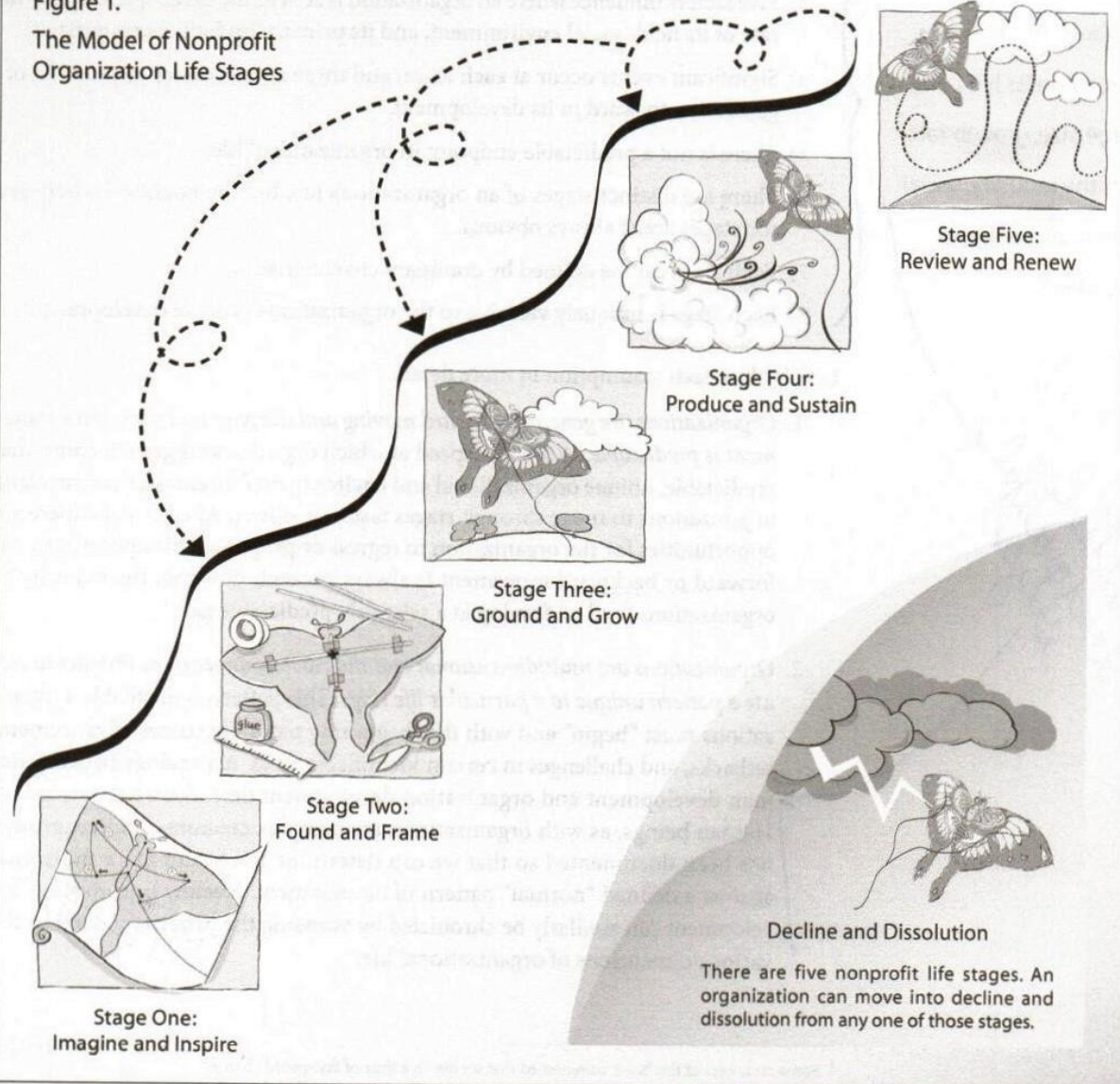
MODELS AND DEFINITIONS

Assumptions about Nonprofit Organization Life Stages

- Organizations generally move forward and the path and pace of movement is predictable
- Organizations are multidimensional and various dimensions interact to create a pattern unique to each stage.
- Significant events occur at each stage and these are necessary.
- There is not a predictable endpoint in an organization's life.
- There are distinct stages, but the boundaries between them aren't always obvious.
- Each stage can be defined by dominant characteristics and challenges.

Five Life Stages of Nonprofit Organizations

Figure 1.
The Model of Nonprofit
Organization Life Stages



Five factors influence where an organization is in its life cycle: age, size, growth rate of the industry, social environment and leadership.

Seven Arenas of Nonprofit Organizations



LEADERSHIP



MARKETING



FINANCING



STAFFING



**ADMINISTRATIVE
SYSTEMS**



GOVERNANCE



**PRODUCTS
AND SERVICES**

Obstacles and Opportunities

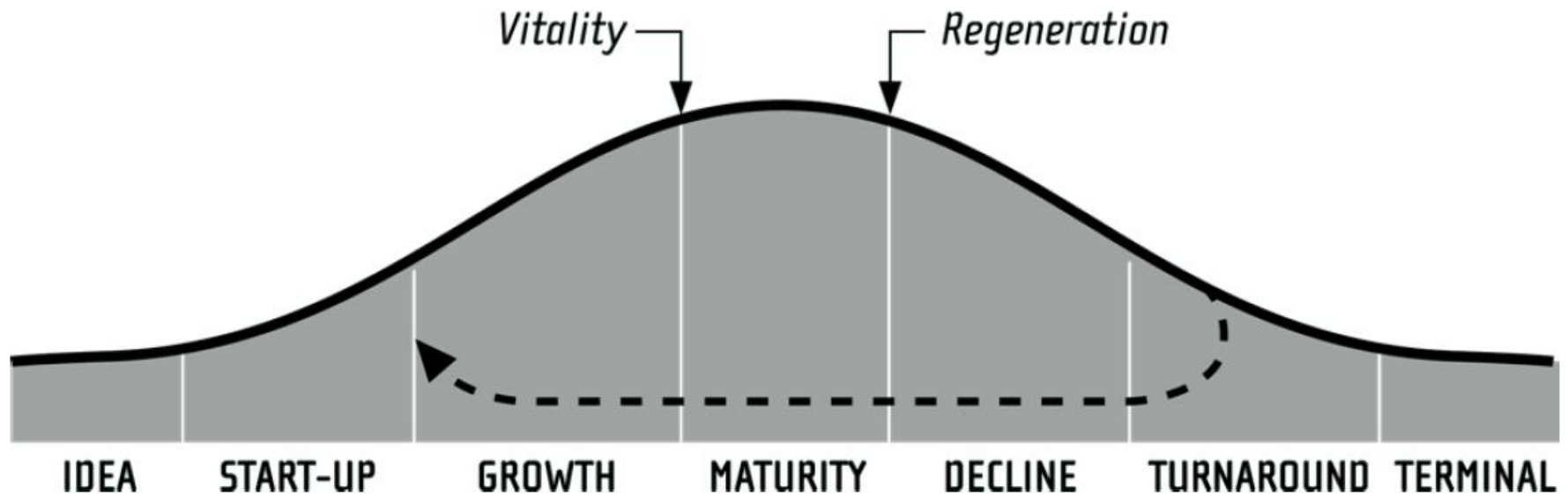
OBSTACLES

- Critical Factors
- Primarily Internal
- Can hinder development
- MUST be acknowledged and addressed

OPPORTUNITIES

- Aids to organization's successful development
- MUST be acknowledged and acted upon

Nonprofit Lifecycles: Stage-Based Wisdom for Nonprofit Capacity



Nonprofit Capacity Builders



Capacity =
the organizational
capability and
competence expressed in
terms of management,
governance, financial
resources, administrative
systems and programs.

Life Stages of Both Models

FIVE LIFE STAGES

1. Imagine and Inspire
2. Found and Frame
3. Ground and Grow
4. Produce and Sustain
5. Review and Renew

* Decline and Dissolution*
can occur at any stage

NONPROFIT LIFE CYCLES

1. Idea
2. Start-Up
3. Growth
4. Maturity
5. Decline
6. Turnaround
7. Terminal

Session Handout

- What each stage looks like in each model
- Primary questions being asked
- Obstacles
- Opportunities
- Duration of Stage
- Tips for getting through each stage
- Assessment Tools

Nonprofit Life Stages

REAL TIME ORGANIZATION ASSESSMENTS

Outdoors for All Foundation



Outdoors for All Foundation Assessment Sample: Five Life Stages Model

Example

Insert the total for each set of arena questions on the chart below

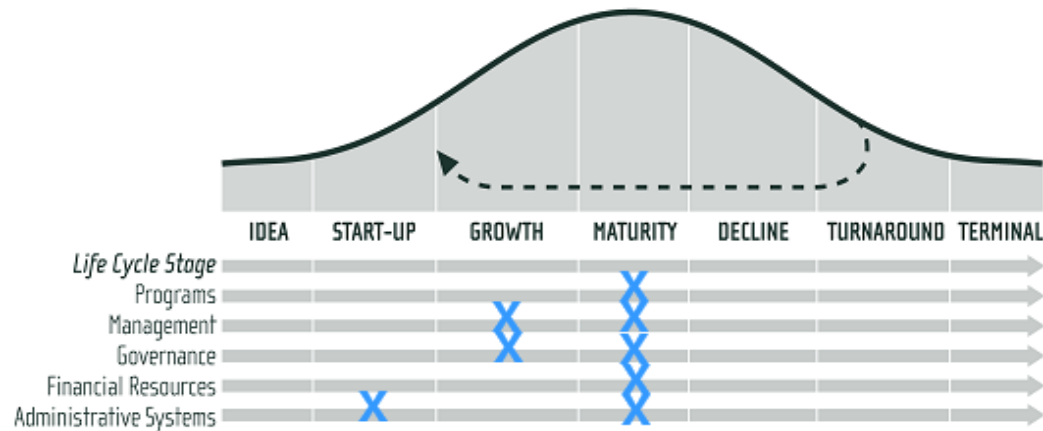
Total the numbers in each column. The column with the highest total score is your organization's home stage.

ARENA	STAGE 1 Imagine and Inspire	STAGE 2 Found and Frame	STAGE 3 Ground and Grow	STAGE 4 Produce and Sustain	STAGE 5 Review and Renew
Governance	A1 3	A2 3	A3 6	A4 9	A5 12
Staff Leadership	B1 3	B2 3	B3 7	B4 12	B5 15
Financing	C1 3	C2 3	C3 6	C4 15	C5 12
Administrative Systems	D1 3	D2 3	D3 3	D4 15	D5 13
Staffing	E1 3	E2 3	E3 3	E4 13	E5 10
Products and Services	F1 7	F2 5	F3 9	F4 11	F5 12
Marketing	G1 4	G2 7	G3 7	G4 12	G5 10
TOTALS	26	27	41	95	84

Shade the box for the highest group total in each arena below.

STAGE	5	A5	B5	C5	D5	E5	F5	G5
	4	A4	B4	C4	D4	E4	F4	G4
	3	A3	B3	C3	D3	E3	F3	G3
	2	A2	B2	C2	D2	E2	F2	G2
	1	A1	B1	C1	D1	E1	F1	G1
ARENA		Governance	Staff Leadership	Financing	Administrative Systems	Staffing	Products and Services	Marketing

Outdoors for All Foundation Assessment Sample: Nonprofit Lifecycles Model



IDEA	START-UP	GROWTH	MATURITY	DECLINE	TURNAROUND	TERMINAL
PROGRAMS: Not defined MANAGEMENT: Committed originators GOVERNANCE: No board exists RESOURCES: Sweat-equity SYSTEMS: operations begin and energy is at its highest, but systems and resources lag behind	PROGRAMS: Simple MANAGEMENT: Spark-plug/generalist GOVERNANCE: Members have personal connection to mission/founder RESOURCES: Low budget SYSTEMS: Weak and outsourced	PROGRAMS: Distinct MANAGEMENT: Envision infinite potential for services. GOVERNANCE: Board recruits outside professionals to increase performance. RESOURCES: More sources of income. SYSTEMS: Improved to meet demand	PROGRAMS: Well-organized MANAGEMENT: Staff is seasoned GOVERNANCE: Policy-oriented RESOURCES: Diverse SYSTEMS: Sophisticated	PROGRAMS: Too rigid MANAGEMENT: Complacent GOVERNANCE: Board is unaware of problem; board is not engaged RESOURCES: Diminished SYSTEMS: Antiquated or inefficient	PROGRAMS: Modified MANAGEMENT: Gutsy GOVERNANCE: Restoration RESOURCES: Cut expenses SYSTEMS: Simplified	PROGRAMS: Unreliable and Underfunded MANAGEMENT: Dwindled GOVERNANCE: Drive is lost. RESOURCES: Depletion SYSTEMS: Abandoned

National Sports Center for the Disabled



NSCD Assessment Sample: Five Life Stages Model

National Sports Center for the Disabled (sample)

Insert the total for each set of arena questions on the chart below

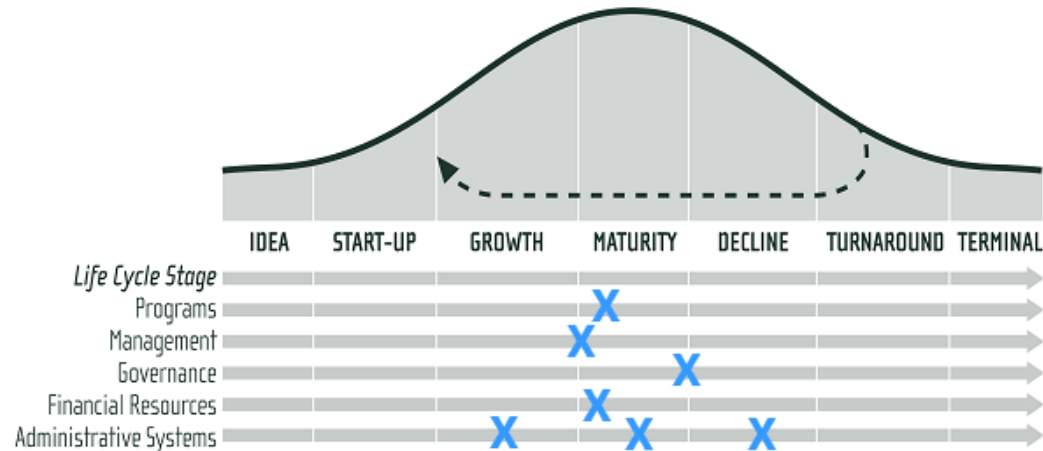
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ARENA	STAGE 1 Imagine and Inspire	STAGE 2 Found and Frame	STAGE 3 Ground and Grow	STAGE 4 Produce and Sustain	STAGE 5 Review and Renew
Governance	A1 3	A2 3	A3 8	A4 9	A5 14
Staff Leadership	B1 3	B2 3	B3 8	B4 11	B5 15
Financing	C1 3	C2 6	C3 12	C4 15	C5 13
Administrative Systems	D1 3	D2 3	D3 3	D4 11	D5 12
Staffing	E1 3	E2 7	E3 5	E4 14	E5 12
Products and Services	F1 7	F2 5	F3 8	F4 13	F5 9
Marketing	G1 3	G2 7	G3 3	G4 15	G5 9
TOTALS	25	34	49	88	84

Shade the box for the highest group total in each arena below.

STAGE	5	A5	B5	C5	D5	E5	F5	G5
	4	A4	B4	C4	D4	E4	F4	G4
	3	A3	B3	C3	D3	E3	F3	G3
	2	A2	B2	C2	D2	E2	F2	G2
	1	A1	B1	C1	D1	E1	F1	G1
	ARENA	Governance	Staff Leadership	Financing	Administrative Systems	Staffing	Products and Services	Marketing

NSCD Assessment Sample: Nonprofit Lifecycles Model



IDEA	START-UP	GROWTH	MATURITY	DECLINE	TURNAROUND	TERMINAL
PROGRAMS: Not defined MANAGEMENT: Committed originators GOVERNANCE: No board exists RESOURCES: Sweat-equity SYSTEMS: operations begin and energy is at its highest, but systems and resources lag behind	PROGRAMS: Simple MANAGEMENT: Spark-plug/generalist GOVERNANCE: Members have personal connection to mission/founder RESOURCES: Low budget SYSTEMS: Weak and outsourced	PROGRAMS: Distinct MANAGEMENT: Envision infinite potential for services. GOVERNANCE: Board recruits outside professionals to increase performance. RESOURCES: More sources of income. SYSTEMS: Improved to meet demand	PROGRAMS: Well-organized MANAGEMENT: Staff is seasoned GOVERNANCE: Policy-oriented RESOURCES: Diverse SYSTEMS: Sophisticated	PROGRAMS: Too rigid MANAGEMENT: Complacent GOVERNANCE: Board is unaware of problem; board is not engaged RESOURCES: Diminished SYSTEMS: Antiquated or inefficient	PROGRAMS: Modified MANAGEMENT: Gutsy GOVERNANCE: Restoration RESOURCES: Cut expenses SYSTEMS: Simplified	PROGRAMS: Unreliable and Underfunded MANAGEMENT: Dwindled GOVERNANCE: Drive is lost. RESOURCES: Depletion SYSTEMS: Abandoned

Kelly Brush Foundation



Kelly Brush Foundation Assessment Sample: Five Life Stages Model

Kelly Brush Foundation (sample)

Insert the total for each set of arena questions on the chart below

Total the numbers in each column. The column with the highest total score is your organization's home stage.

ARENA	STAGE 1 Imagine and Inspire	STAGE 2 Found and Frame	STAGE 3 Ground and Grow	STAGE 4 Produce and Sustain	STAGE 5 Review and Renew
Governance	A1 3	A2 7	A3 12	A4 11	A5 7
Staff Leadership	B1 4	B2 4	B3 10	B4 15	B5 9
Financing	C1 5	C2 5	C3 15	C4 15	C5 15
Administrative Systems	D1 3	D2 3	D3 7	D4 14	D5 8
Staffing	E1 3	E2 3	E3 8	E4 11	E5 7
Products and Services	F1 3	F2 4	F3 8	F4 12	F5 6
Marketing	G1 3	G2 3	G3 3	G4 15	G5 7
TOTALS	24	32	63	93	59

Shade the box for the highest group total in each arena below.

STAGE	5	A5	B5	C5	D5	E5	F5	G5
	4	A4	B4	C4	D4	E4	F4	G4
	3	A3	B3	C3	D3	E3	F3	G3
	2	A2	B2	C2	D2	E2	F2	G2
	1	A1	B1	C1	D1	E1	F1	G1
ARENA	Governance	Staff Leadership	Financing	Administrative Systems	Staffing	Products and Services	Marketing	

Kelly Brush Foundation Assessment Sample: Nonprofit Lifecycles Model

Using the Assessment Tools

REFLECT ON YOUR ORGANIZATION

Using the Assessment Tools

FIVE LIFE STAGES TOOL

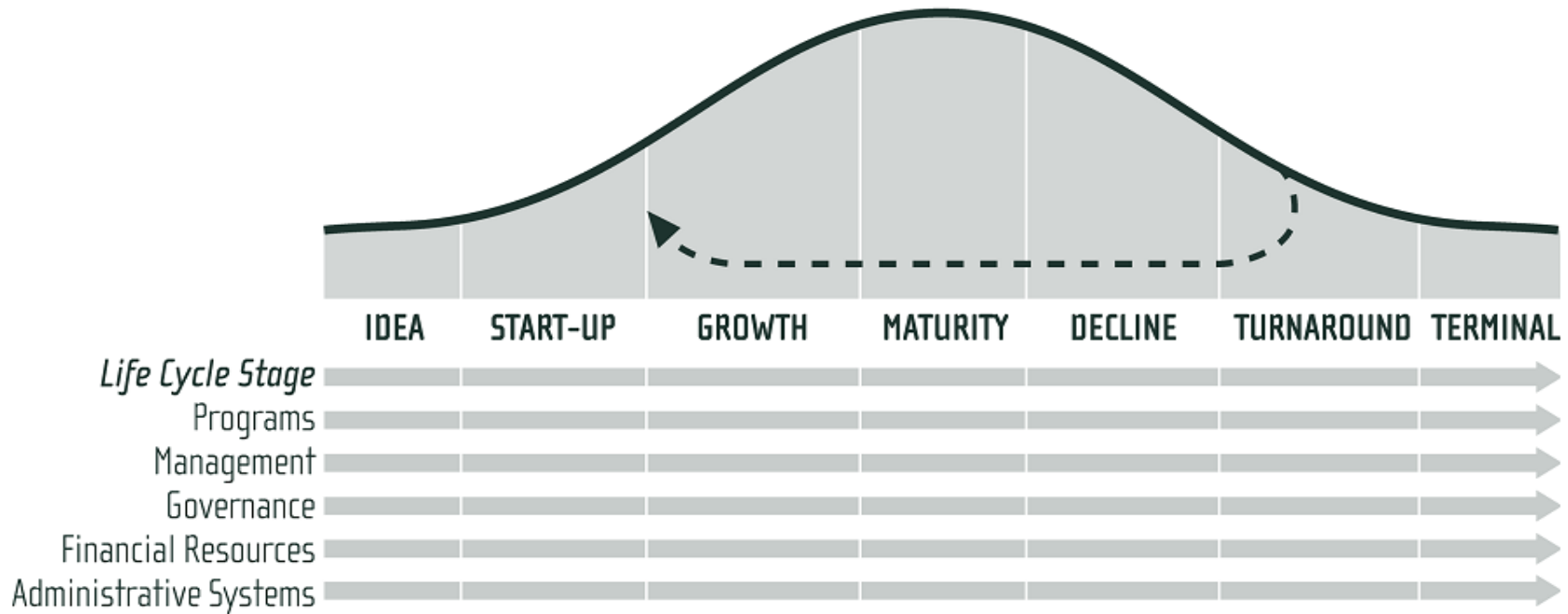
- Questions are in groups of three
- Answer each question based on a scale of 1 (least like us) to 5 (most like us)
- Add scores for the three questions and enter in the group total box
- Answer all of the questions
- Enter the label for the highest group at the bottom of the page

Five Life Stages of Nonprofit Organizations Assessment Tool

ARENA	STAGE 1 Imagine and Inspire	STAGE 2 Found and Frame	STAGE 3 Ground and Grow	STAGE 4 Produce and Sustain	STAGE 5 Review and Renew
Governance	A1	A2	A3	A4	A5
Staff Leadership	B1	B2	B3	B4	B5
Financing	C1	C2	C3	C4	C5
Administrative Systems	D1	D2	D3	D4	D5
Staffing	E1	E2	E3	E4	E5
Products and Services	F1	F2	F3	F4	F5
Marketing	G1	G2	G3	G4	G5
TOTALS					



STAGE	5	A5	B5	C5	D5	E5	F5	G5
	4	A4	B4	C4	D4	E4	F4	G4
	3	A3	B3	C3	D3	E3	F3	G3
	2	A2	B2	C2	D2	E2	F2	G2
	1	A1	B1	C1	D1	E1	F1	G1
ARENA	Governance	Staff Leadership	Financing	Administrative Systems	Staffing	Products and Services	Marketing	



Nonprofit Lifecycles Assessment tool

Using the Assessment Tools

NOW PRACTICE USING THE TOOL

- Take a few minutes on your own to complete one or two of the sections in the Five Life Stages assessment or the Nonprofit Lifecycles tool
- If you are here with other members from your organization pair up to discuss
- Or connect with your neighbor and discuss your results and what you learned

What did you discover?

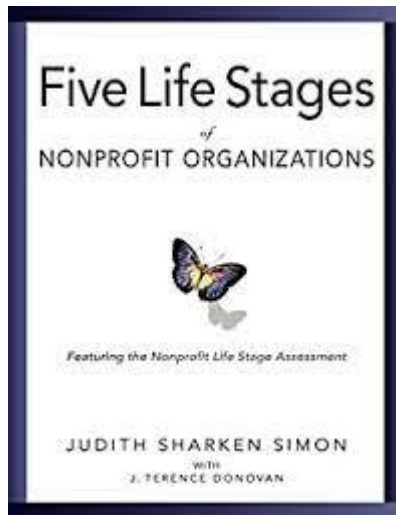
GROUP DISCUSSION AND SHARE OUT

Summary

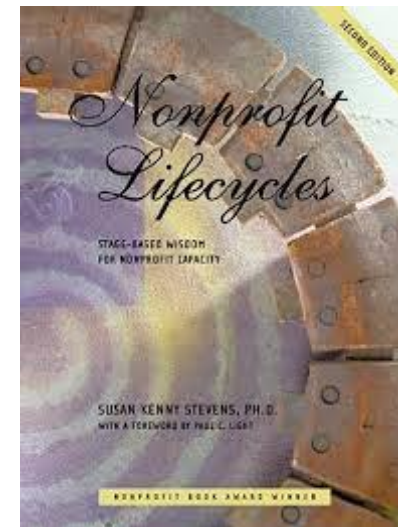
- The Five Life Stages and Nonprofit Lifecycles models are tools that nonprofit leadership can use to assess their organization and gain a better understanding of their current reality.
- These models can help anticipate the obstacles and provide strategies to enhance organizational effectiveness.
- Using these assessments and models can help organization anticipate and avoid internal tensions or mission failures which may occur during times of transition between stages.

References

Simon, JS and Donovan, JT. (2001). Five Life Stages of Nonprofit Organizations. Fieldstone Alliance.



Stevens, SK. (2002). Nonprofit Lifecycles: Stage-Based Wisdom for Nonprofit Capacity. Stagewise Enterprises, Inc.



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