

# Growing your Organization

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LIFE CYCLES OF NONPROFITS AND  
LESSONS LEARNED ALONG THE WAY

# Session Presenters

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**Ed Bronsdon**  
Bronsdon for Good, LLC



**Kim Krebs**  
Kim Krebs Consulting

# Learning Objectives

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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?

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- 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

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MODELS AND DEFINITIONS

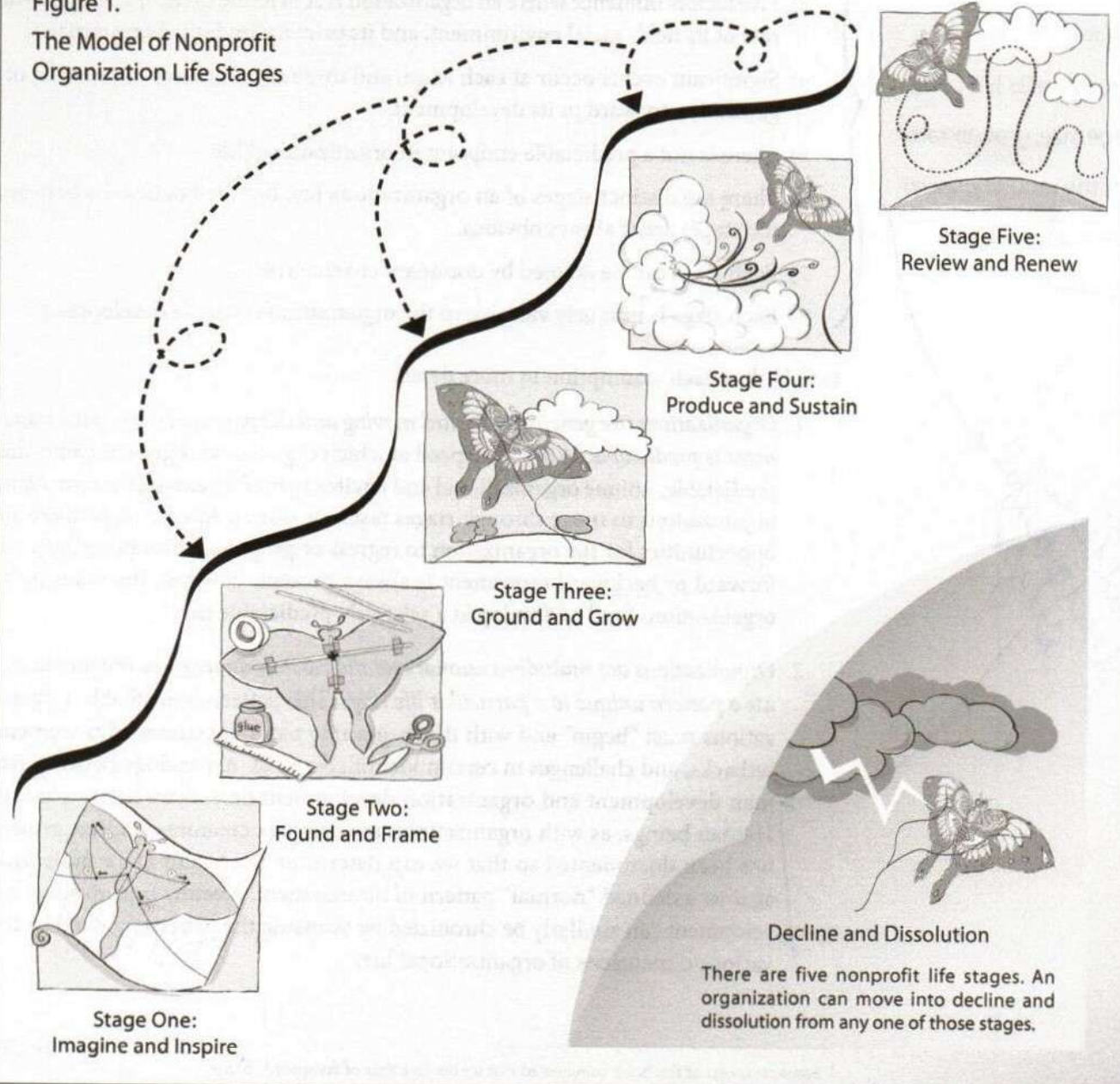
# Assumptions about Nonprofit Organization Life Stages

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- 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

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**LEADERSHIP**



**MARKETING**



**FINANCING**



**STAFFING**



**ADMINISTRATIVE  
SYSTEMS**



**PRODUCTS  
AND SERVICES**



**GOVERNANCE**

# Obstacles and Opportunities

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## **OBSTACLES**

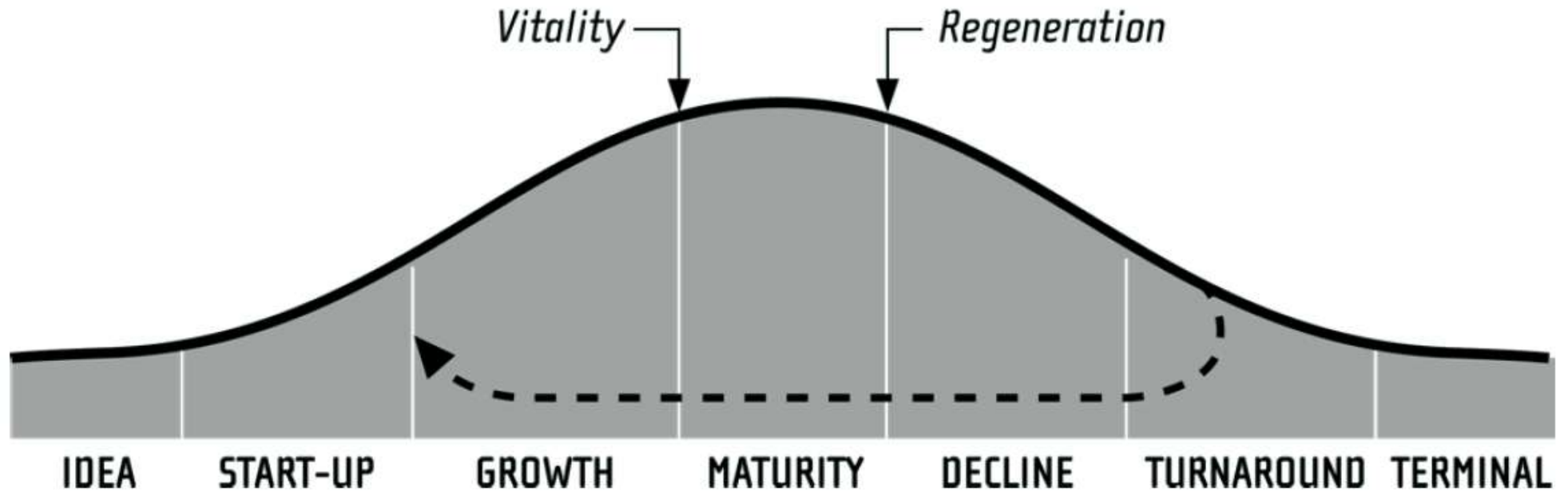
- Critical Factors
- Primarily Internal
- Can hinder development
- MUST be acknowledged and addressed

## **OPPORTUNITIES**

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

# Nonprofit Lifecycles: Stage-Based Wisdom for Nonprofit Capacity

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# Nonprofit Capacity Builders

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

# Life Stages of Both Models

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## **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

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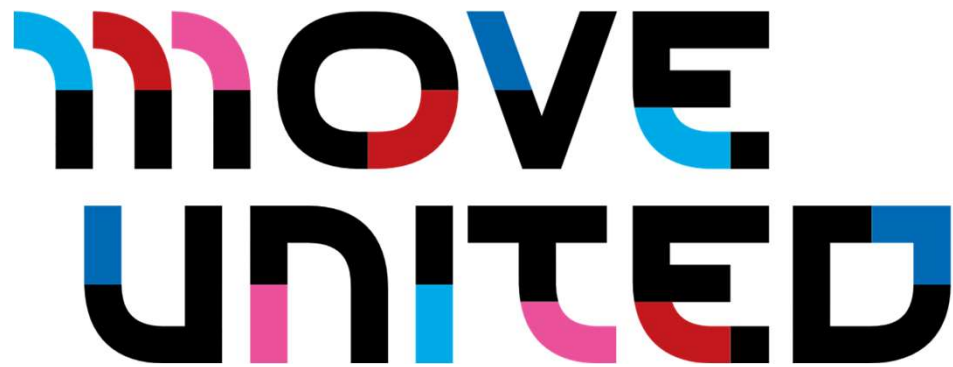
- What each stage looks like in each model
- Primary questions being asked
- Obstacles
- Opportunities
- Duration of Stage
- Tips for getting through each stage
- Assessment Tools

# Nonprofit Life Stages

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REAL TIME ORGANIZATION ASSESSMENTS

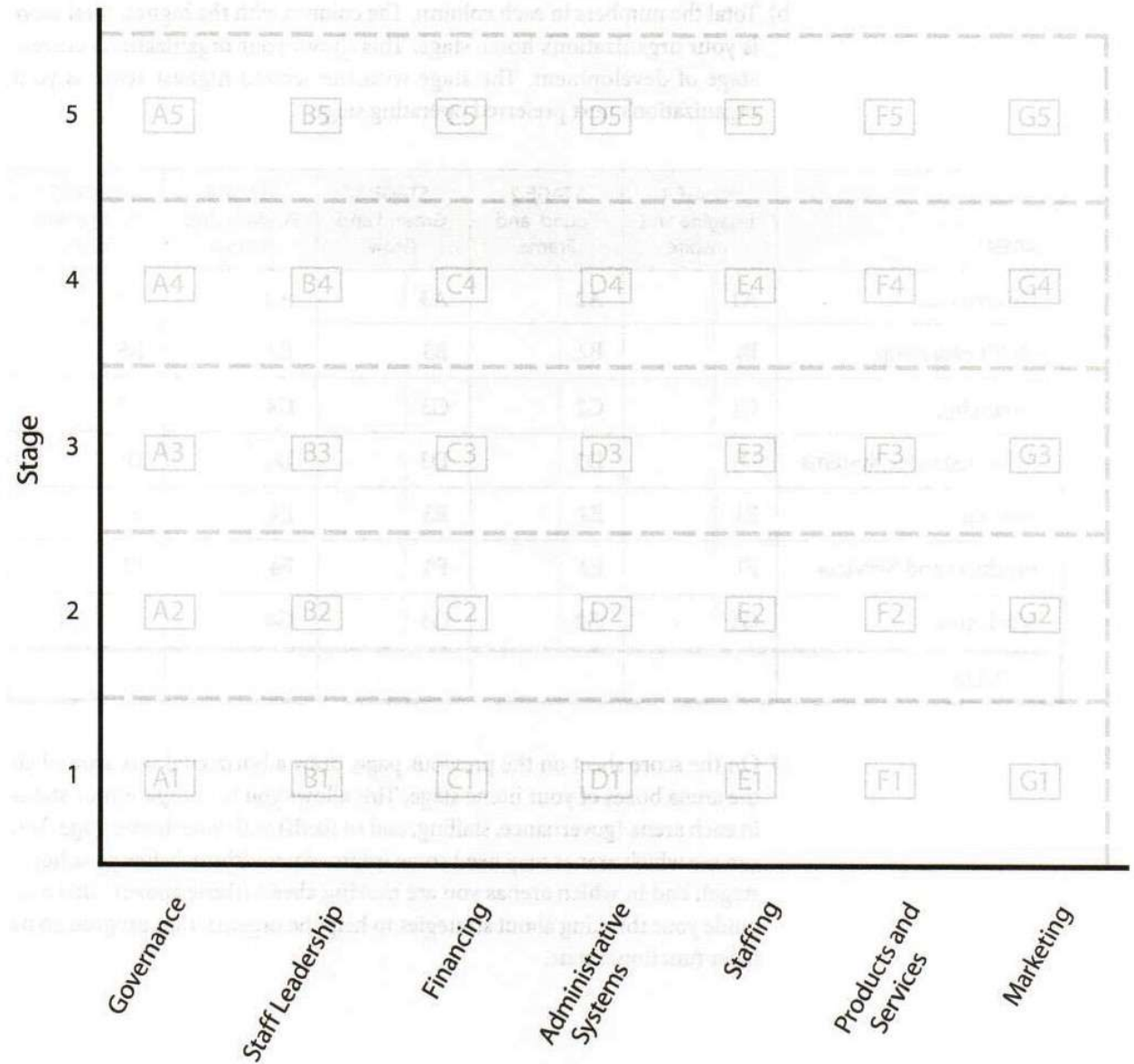
*One example:*  
Move United



# Move United Assessment Sample

## Plotting and Understanding Your Score

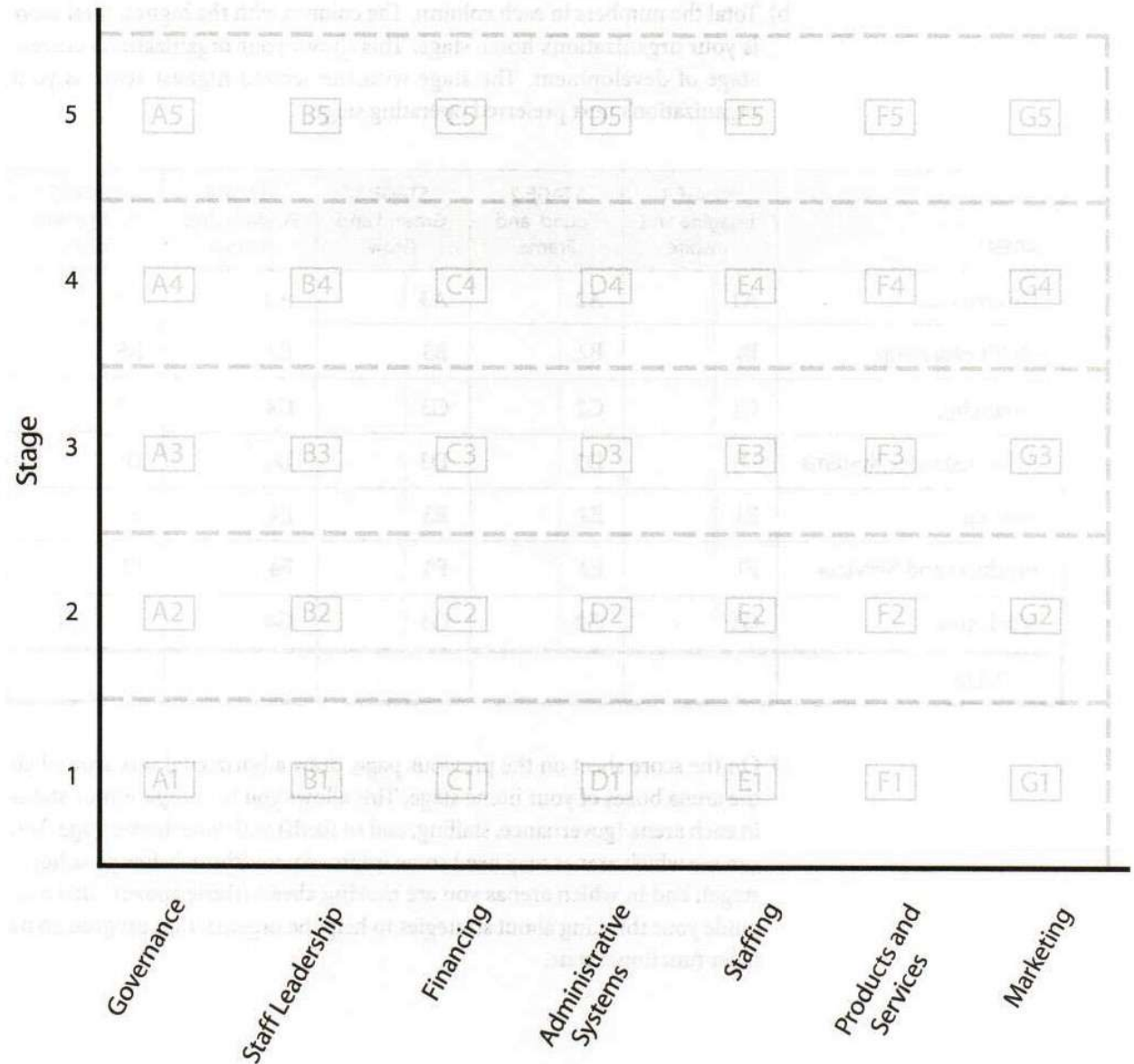
1. Shade in the box for the highest group total in each arena below. For example, if your highest score in Governance was "A5," shade the box labeled "A5."



# Assessment Sample

## Plotting and Understanding Your Score

1. Shade in the box for the highest group total in each arena below. For example, if your highest score in Governance was "A5," shade the box labeled "A5."



# Using the Assessment Tool

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REFLECT ON YOUR ORGANIZATION

# Using the Assessment Tools

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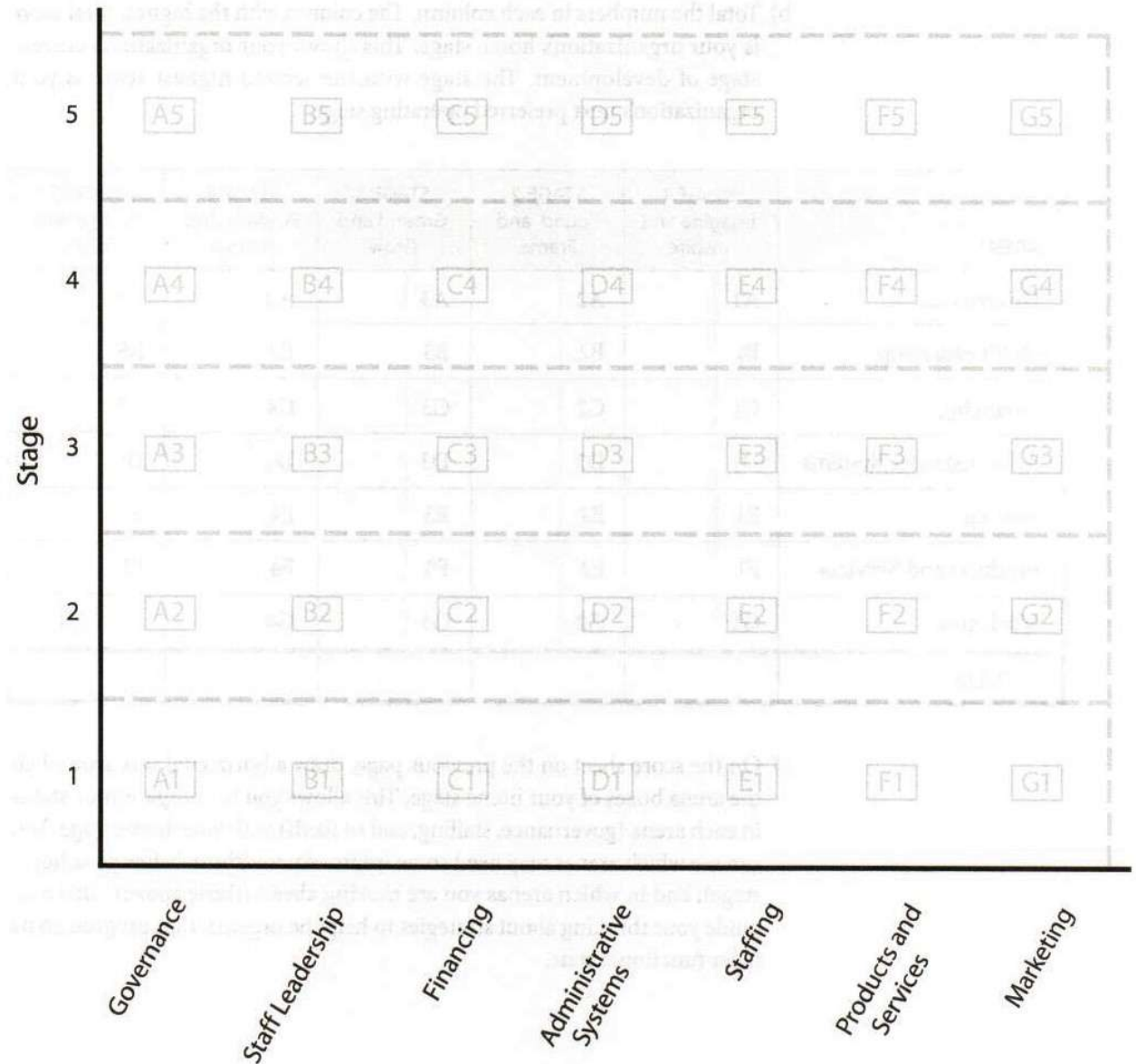
## **FIVE LIFE STAGES TOOL**

- 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

## Plotting and Understanding Your Score

1. Shade in the box for the highest group total in each arena below. For example, if your highest score in Governance was "A5," shade the box labeled "A5."



# Using the Assessment Tools

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## **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
- 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?

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**GROUP DISCUSSION AND SHARE OUT**

# Summary

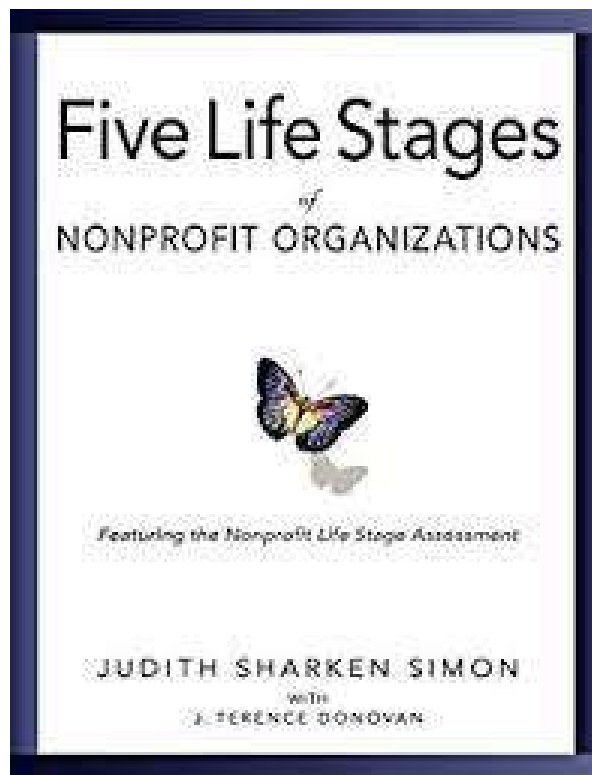
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- The Five Life Stages and Nonprofit Lifecycles models are tools that nonprofit leadership can use to assess their organization and gain a better understanding of their current reality.
- These models can help anticipate the obstacles and provide strategies 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

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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.

