



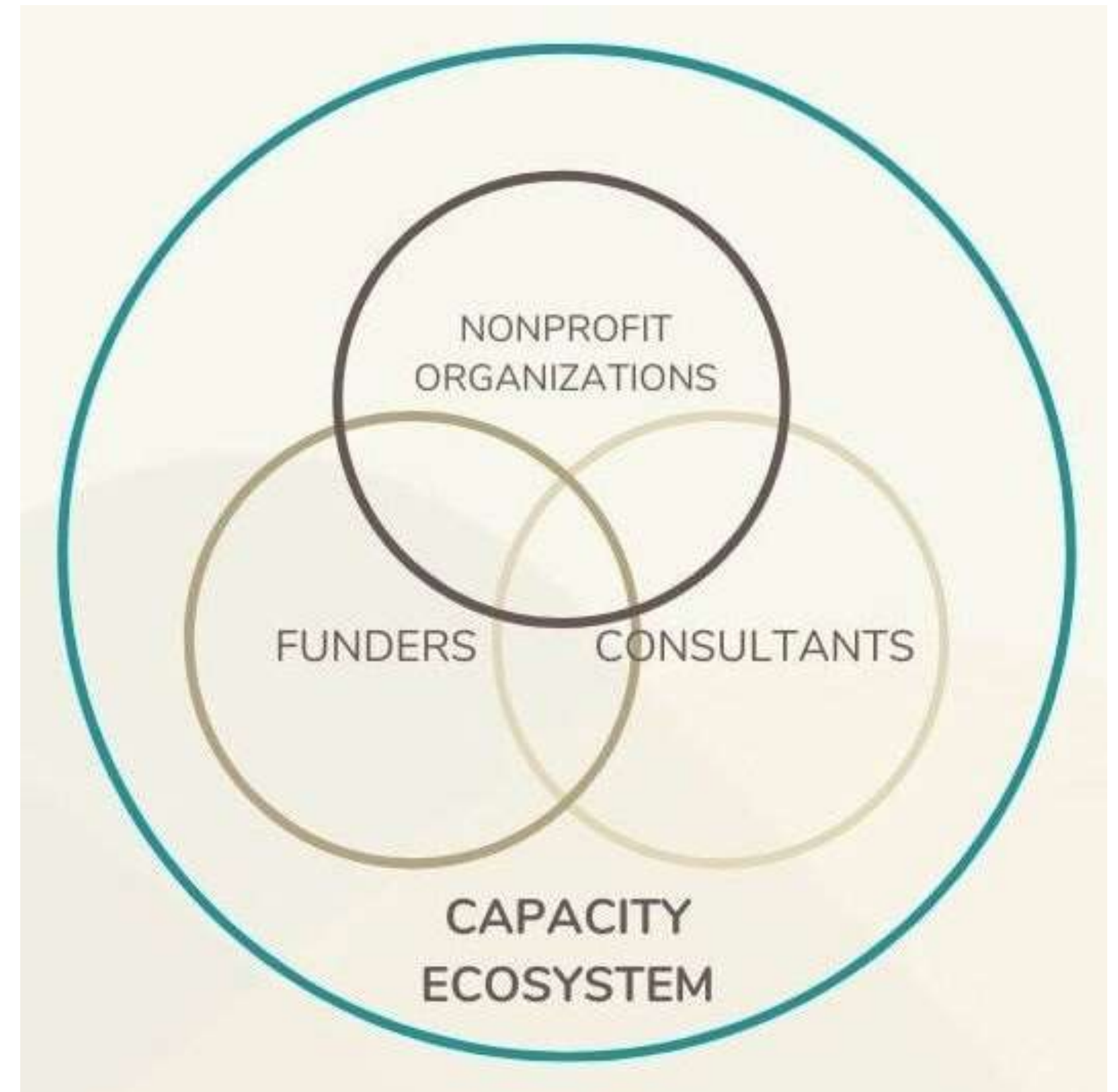
Nonprofit Lifecycles

Presented by:
Nonprofit Lifecycles Institute

Nonprofit Lifecycles Institute

We envision a world where vibrant nonprofits thrive in harmony with the communities they serve.

Our mission is to cultivate a healthy, dynamic, and collaborative capacity ecosystem.



Why does
it matter?



Capacity Counts

The organization's mission,
vision, values & programs
deserve a strong foundation
to thrive.



Personal Lifecycle Descriptors

Terrible Twos
Teens
Mid-life
Baby Boomers

“A stage is a developmental period when characteristic patterns of behavior are evidenced & certain capacities become established.”

Benefits of Lifecycles Thinking

SHARED VOCABULARY

Help get everyone on the same page

NORMAL & NOT ALONE

Others face similar challenges

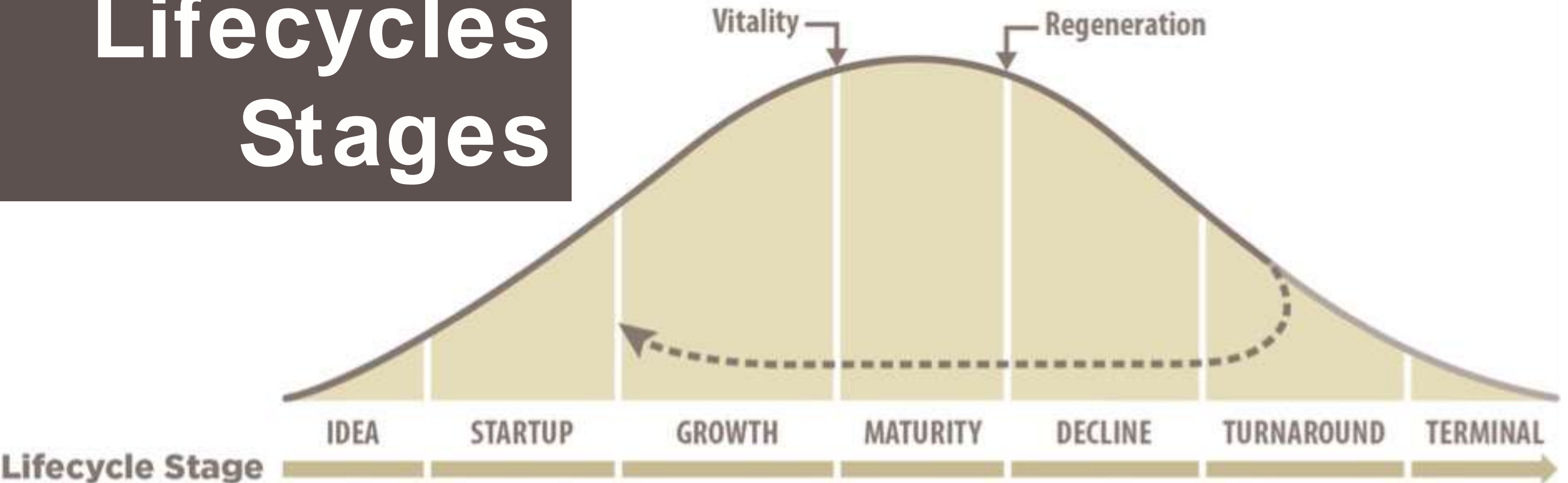
CLEAR COMMUNICATION

Communicate where you are and what you need

DEPERSONALIZATION

Identify and address structural challenges based on Lifecycle vs. individuals

Nonprofit Lifecycles Stages



Idea

Perceived
community need
sparks a founding
idea or vision of
what could be

PROGRAMS

Programs are not yet defined, only an intense, personal mandate to fill a societal gap

MANAGEMENT

Originators are believable, action-oriented people with commitment to proposed purpose

GOVERNANCE

No board exists at this stage, only supporters with a personal connection to mission

BUSINESS MODEL

Sweat equity is the usual self-funding device, unless originators have deep pockets or an outside “angel” backs the project

SYSTEMS

Although generally lacking in systems, in-kind services, equipment, & other goods may exist

Challenges

- Unless mission/program related, equity often not a priority
- Identifying an unmet need
- Developing mission, vision, & values
- Mobilizing the support of others
- Converting the idea into action





Startup

beginning stage of operations when energy & passion are at their highest, but systems generally lag far behind

PROGRAMS

Programs are simple, experimental, & generally have more breadth than depth; may collect basic participant data but have little ability/knowledge on how to take next steps

MANAGEMENT

Leader is a “spark-plug” & the likely group’s most experienced staff person

GOVERNANCE

Members almost always have a personal connection to mission or founder; may begin to seek candidates outside the circle.

BUSINESS MODEL

Usually a low-budget, boot strap operation unless seeded initially by a major start-up grant

SYSTEMS

Financial & administrative functions & systems are generally weak & may be out-sourced to others; generally, policies reactive v. proactive

Challenges

- Sharing vision & organizational responsibility with staff, board & constituencies
- Hiring versatile staff
- Leveraging sweat equity into outside support
- Living within financial means
- Replicating the same kind of board or staff member



Growth

Program opportunity
& service demand
exceed current
systems & structural
capacities

PROGRAMS ©

Organization begins to understand & define the distinctive methods & approach that separate its programming from others

MANAGEMENT

Organization led by people who see infinite potential for services; training & building Equity as part of culture

GOVERNANCE

Board structure begins to appear; board may be diverse but not necessarily inclusive

BUSINESS MODEL

More sources of income create greater accounting & compliance complexities; may consider vendors/budget/revenues in Equity lens

SYSTEMS

Current systems, never fully built, must be substantially improved to meet demands of continual program expansion & rising compliance expectations; Equity central in mind as systems built

Challenges

- Too much to do, too little time
- Identifying distinctive competence
- Developing board ownership
- Finding DEI Champions within Leadership to drive work
- Beginning to formalize organizational structure
- Creating a program & strategic focus that doesn't trap creativity & vision
- Becoming comfortable with change



Mature

reputation for providing steady, relevant & vital services to the community; operates with a solid organizational foundation & an overall sense of security; confident in their ability to incorporate equity into strategy



PROGRAMS

Well-organized; results focused; in touch with community needs; Equity fully incorporated into strategy & implementation

MANAGEMENT

Leadership is often second or third generation from the originators; exemplify culture of equitable leadership

GOVERNANCE

Board sets direction, is policy oriented, & leaves management to the executive director/leader; diverse members included in culture & leadership positions

BUSINESS MODEL

Organization has multiple sources of income & is not dependent on one source of funding; budget funds equitable initiatives & supports values in all aspects

SYSTEMS

Organization operates from an outlined course of action for routine client, board & personnel matters; policies support equity initiatives

Challenges

- Not fully addressing Equity
- Remaining client-centered, rather than policy-bound
- Keeping staff motivated around the mission
- Building financial footings of endowment or reserves
- Maintaining their programmatic “edge,” cycling programs in & out based on continued relevancy
- Becoming “position” rather than “person”

Decline

Status quo decisions based on internal factors resulting in diminished community/client status & insufficient current income to cover operating expenses



PROGRAMS

Programs are losing clients to others whose approach is more accessible, & possibly less expensive; equity not a priority

MANAGEMENT

Organizational slippage is either unseen, denied, or blamed on external sources; equity not a priority

GOVERNANCE

Board is unaware there is something wrong; think things are running smoothly & often don't take action until money starts running out

BUSINESS MODEL

Budgets are fixed-cost & expense heavy, with income projections reflecting past experience rather than current reality; funding equity initiatives not a priority

SYSTEMS

Systems, although developed, are often antiquated, and physical space may be deteriorating; equity not a priority

Challenges

- Reconnecting with community need, discarding duplicative programs
- Remembering that policies, procedures, systems & structure are no substitute for creativity & risk-taking
- Keeping board informed & engaged
- Raising enough operating income so reserves are not drawn down for daily use
- Examining the budget for top-heavy administrative expenses



Turnaround

Critical juncture, loss of community relevance & revenues, but, through self-awareness & determination, taking decisive action to reverse course in favor of community relevance & organizational viability

PROGRAMS

Programs are reassessed and modified in light of current community needs and financial viability

MANAGEMENT

Turnaround leader is a gutsy, strong-willed person with a clear sense of direction & the ability to inspire confidence in others; renewed commitment to turnaround

GOVERNANCE

A core of committed board members are ready to do what it takes to restore organizational integrity; renewed commitment to equity as turnaround gets going

BUSINESS MODEL

Willingness to cut expenses to reflect realistic income and cash flow

SYSTEMS

Existing policies and procedures may be too complex, expensive, & “mature” for the turnaround organization

Challenges

- Finding a turnaround champion & letting them lead
- Establishing a turnaround culture & mindset
- Committing to a consistently frank & open dialogue with constituents, funders & the community
- Prioritizing equitable practices
- Cutting expenses to reflect realistic income
- Restoring eroded community credibility through consistency, honesty & program results



Terminal
organization that
has lost its will,
reason, or energy to
exist

PROGRAMS

Programs are unreliable, unsteady, & seriously under-funded

MANAGEMENT

Staff & management have dwindled to a handful & possibly may be working without pay

GOVERNANCE

Board has lost its collective drive to continue & may exist in name only

BUSINESS MODEL

The organization is most likely out of money & may have accumulated deficits

SYSTEMS

Systems have been abandoned; organizational decisions & general workflow happen on an ad hoc basis

Challenges

- Accepting responsibility for organizational renewal or termination
- Resisting the urge to blame others for terminal situation
- Communicating termination plans to clients & making appropriate referrals
- Closing up shop in an honorable manner, worthy of the care in which the nonprofit was founded

Selfie

Participants

- Board and/or Staff
- Self-directed or facilitated

Formats

- Online Survey
- Printed booklet

Uses

- In advance to gather input
- In session to gather realtime data
- Before, during, after
- Transition periods, strategic planning, retreats

Purposes

- Build consensus
- Discuss results & different perspectives
- See progress



Remember

No exact
number

Diagnostic
not
deterministic

Not
sequential
nor
evolutionary

Not age or
size
dependent

No
shortcuts

Holistic

Level
expectations

Seek
alignment

“Don’t
Know” is an
answer

Lifecycles Diagnostic Indicators

PROGRAMS What stage are its programs? Individually, collectively?

MGMT Does the current leader have the required characteristics to lead the organization through this stage?

SYSTEMS Are current financial & administrative systems in line with the organization's programs & life stage?

BOARD Is the board assuming roles & responsibilities consistent with the requirements of the lifecycle stage?

BIZ MODEL Are the financial resources of the organization consistent with those required for the stage?

OVERALL What overall lifecycle stage is the nonprofit?

NONPROFIT LIFECYCLES INSTITUTE

We envision a world where vibrant nonprofits thrive in harmony with the communities they serve.

Our mission is to cultivate a healthy, dynamic, and collaborative capacity ecosystem.

