Stage-based Nonprofit Lifecycles
A Model for Assessing Organizational Health and Capacity

Based on Nonprofit Lifecycles: Stage-based Wisdom for Nonprofit Capacity by Susan Kenny Stevens, Ph.D.

Facilitated by: Lynda Gerty, Engagement Director
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“We envision a future where every community organization mindfully engages passionate citizens.”

-Our Vision
Objectives

• Explore **capacity** from a **stage-based** perspective
• Consider how to set realistic expectations
• Examine the benefits of applying this model to improve your **mission and program delivery**
• Begin to identify your organizational **lifecycle**
• Identify **concrete steps** to build organizational capacity in governance, management, financial resources and/or administrative systems
Let’s get to know each other

What do you love about where you live, and how you live?

Share the story of a leader who positively influenced you.

In your own words, share the mission of your organization.

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Capacity Counts

CAPACITY
Organizational capability and competence expressed in terms of its...

1. Management
2. Governance
3. Financial Resources
4. Administrative Systems

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Capacity Building

Strengthening the organizational platform which supports and sustains your mission and programs
Not-for-Profit Lifecycle Stages

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Lifecycle Theory

- Diagnostic not Deterministic
- Not necessarily sequential or evolutionary
- Not age or size dependent
- Holistic
Gut Check...

What lifecycle stage do you think best describes your organization?

Why?
Benefits of Lifecycle Thinking

• Gives you vocabulary to understand “where you are” and puts challenges in perspective
• You realize you’re “normal” and not the only one
• A way to talk to external audience about where you are – and what you need to make progress.
• Depersonalizes management, staff and even board weaknesses
Lifecycle Stage #1: Idea
Challenges of the Idea Stage

• Identifying an unmet need
• Converting the idea into action
• Developing mission and vision
• Mobilizing the support of others
Lifecycle Stage #2: Start-up
Challenges of the Start-up Stage

• Sharing vision & organizational responsibility with staff, board and constituencies
• Hiring versatile staff
  Leveraging sweat equity into outside support
• Knowing when to say “no”
• Living within financial means
Lifecycle Stage #3: Growth
Challenges of the Growth Stage

• Too much to do, too little time
• Identifying distinctive competence
• Developing board ownership
• Beginning to formalize organizational structure
• Creating a program and strategic focus that doesn’t trap creativity and vision
• Becoming comfortable with change
• Diversifying revenues and managing cash flow
Lifecycle Stage #4: Maturity
Challenges of the Maturity Stage

- 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 and out based on continued relevancy
- Becoming “position” rather than “person” dependent
Lifecycle Stage #5: Decline
Challenges of the Decline Stage

• Reconnecting with community need, discarding duplicative programs that add no value
• Remembering that policies, procedures, systems and structure are no substitute for creativity and risk-taking
• Keeping board informed and engaged
• Raising enough operating income so reserves are not drawn down for everyday use
• Examining the budget for top-heavy administrative expenses
Lifecycle Stage #6: Turnaround
Challenges of the Turnaround Stage

• Finding a turnaround champion and letting them lead
• Establishing a turnaround culture and mindset
• Committing to a consistently frank and open dialogue with constituents, funders and the community
• Cutting expenditures to reflect realistic income
• Restoring eroded community credibility through consistency, honesty and program results

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Lifecycle Stage #7: Terminal
Challenges of the Terminal Stage

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

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Lifecycle Model: In other words...

- **Idea:** *The Magnificent Obsession*
- **Start-up:** _________________________________
- **Growth:** _________________________________
- **Maturity:** _________________________________
- **Decline:** _________________________________
- **Turnaround:** _______________________________
- **Terminal:** _________________________________
Let’s Break & Re-energize
Nonprofit Capacity in Close Alignment

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Nonprofit Capacity Out of Alignment

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Lifecycle Identification Activity

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Lifecycle Identification: The Process

Ensure your lifecycle identification is comprehensive, holistic and rooted in evidence
Discussion and Action Planning

What is in sync? What is out of sync?

What insights did this bring?

What should be done with this information?

How would you approach and plan an in-depth lifecycle assessment? Who should be involved?

What first steps should be taken next?
What’s the point...

Once you know where you are...

...you can begin to decide where you want to go.

• What immediate changes, if made, would improve your organization’s capacity or better support the stage you are in?
• What long-term capacity changes, if made, would help support your organization in the desired phase of development?
• Which of these changes can you make on your own?
• Which require additional resources?
Evaluation

Your Feedback is Important!

By filling it out you help us learn and improve our programs.

Thank you.
Thank you!

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