

# NOT-FOR-PROFIT ORGANIZATIONAL LIFECYCLES

	<b>Idea</b> <i>Passionate, determined &amp; high energy</i>	<b>Start-Up</b> <i>Formal status, informal structures</i>	<b>Growth</b> <i>Program opportunities Building capacity</i>	<b>Mature</b> <i>Steady, relevant services Strong organizational foundation</i>	<b>Decline/Turnaround/Terminal</b> <i>- Status quo turns to decline - decide to reinvent or close the doors</i>
<b>Programs</b>	<ul style="list-style-type: none"> <li>– Extremely informal or not yet a concern</li> <li>– Perceived need for a program or service</li> </ul>	<ul style="list-style-type: none"> <li>– Simple programs are initiated or a mix of diverse &amp; nonintegrated activities</li> <li>– Referrals &amp; marketing by word of mouth</li> </ul>	<ul style="list-style-type: none"> <li>– Programs begin to establish with demand often greater than capacity</li> <li>– More niche focus with a specific audience</li> <li>– First official promotional material</li> </ul>	<ul style="list-style-type: none"> <li>– Core programs are established &amp; recognized in the community</li> <li>– Long range program planning with new programs added &amp; deleted as required</li> <li>– Marketing plan &amp; professional image</li> </ul>	<ul style="list-style-type: none"> <li>– Loses sight of market as programs developed primarily to attract funding</li> <li>– Difficulty &amp; inconsistency in delivering quality services</li> <li>– No real proactive marketing &amp; community relation building</li> </ul>
<b>Management</b>	<ul style="list-style-type: none"> <li>– Entrepreneurial &amp; visionary leader</li> <li>– All volunteer driven, no salaried employees</li> </ul>	<ul style="list-style-type: none"> <li>– Single minded founder whose vision drives the organization; sole decision making with little or no hierarchy</li> <li>– Small (if any), enthusiastic staff with most work still completed by volunteers</li> </ul>	<ul style="list-style-type: none"> <li>– Beginning strategic division of labor with start of hierarchy; executive director still primary decision maker</li> <li>– First job descriptions &amp; personnel policies</li> <li>– Often lack of time &amp; constant sense of urgency; first intro of specialists that require competitive compensation</li> </ul>	<ul style="list-style-type: none"> <li>– Second or third generation leadership, leader inspires confidence among all stakeholders</li> <li>– Larger, vertical organization chart with clear delegation of authority &amp; accountability; more diverse staff &amp; professional managers</li> </ul>	<ul style="list-style-type: none"> <li>– Low staff morale; high turnover</li> <li>– Committed to status quo, organizational slippage is ignored, focus is on individual programs instead of organizational goals</li> <li>– Change agent needed</li> <li>– ‘Founder’s Syndrome’ felt (if still leading)</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>– Not yet a real concern</li> </ul>	<ul style="list-style-type: none"> <li>– Board in place, but largely operational do not view themselves in a governance role</li> <li>– Small, passionate, &amp; homogenous; tend to be hand chosen by ED or have personal connection to mission</li> <li>– Tend to defer decisions to ED</li> </ul>	<ul style="list-style-type: none"> <li>– Board expansion – first “outsiders” added who are professionals with expertise higher org. performance expectations</li> <li>– Transitioning to governance board focus more on planning &amp; oversight</li> <li>– More reactive than strategic in policies</li> </ul>	<ul style="list-style-type: none"> <li>– Board size &amp; diversity increases, organized for maximum effectiveness;</li> <li>– Accountable, keeps mandate focused &amp; vital; Board sets direction, leaves mgt to leader</li> </ul>	<ul style="list-style-type: none"> <li>– No or very high board turnover</li> <li>– Less involved, only takes action when money starts to run out; not focused on community response to organization</li> <li>– Sluggish, bogged down in structure that may be outdated</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>– Not yet a concern</li> <li>– No real ‘home office’</li> </ul>	<ul style="list-style-type: none"> <li>– Few formal operational systems or routines; agile and flexible</li> <li>– Frequent informal communication</li> </ul>	<ul style="list-style-type: none"> <li>– Systems of all types required to meet demands of program expansion, more fundraising, more marketing</li> <li>– Permanent home office with admin support</li> <li>– Internal communication is challenging</li> </ul>	<ul style="list-style-type: none"> <li>– Coordination through formal planning</li> <li>– Standardized systems, policies &amp; procedures are efficient and support timely decision-making</li> <li>– Better integration of technology, data management, &amp; regular communications (internal &amp; external)</li> </ul>	<ul style="list-style-type: none"> <li>– Well-developed systems become “red-tape”; may become too complicated &amp; expensive to change</li> <li>– Physical space may be deteriorating</li> </ul>
<b>Financial</b>	<ul style="list-style-type: none"> <li>– All resources are in kind</li> </ul>	<ul style="list-style-type: none"> <li>– Focus on gathering resources; overly dependent on a few funding sources</li> <li>– Low budget operation, possibly hand-to-mouth; budget is the sole financial document with limited to no financial/accounting systems</li> </ul>	<ul style="list-style-type: none"> <li>– Income sources diversifying but still unpredictable</li> <li>– Cash flow problems; more sophisticated financial management systems are needed</li> <li>– Cost considerations are more important</li> </ul>	<ul style="list-style-type: none"> <li>– Reliable &amp; diverse funding streams</li> <li>– Significant cash reserves; reasonably accurate financial forecasting &amp; deficits generally avoided</li> <li>– Additional fundraising staff support</li> <li>– Revenue generation</li> </ul>	<ul style="list-style-type: none"> <li>– Insufficient cash reserves</li> <li>– Loss of financial support; not bringing in new funding sources</li> <li>– Averse to cutting expenses, if asset-rich looking to prior earnings to cover current costs</li> </ul>