

The Five Life Stages of Nonprofit Organizations
Where You Are, Where You're Going, and What to Expect When You Get There

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<u>Qualities</u>	<u>Getting Started</u>	<u>Stage One: Found and Frame</u>	<u>Stage Two: Ground and Grow</u>	<u>Stage Three: Produce and Sustain</u>	<u>Stage Four: Review and Renew</u>
Primary Question	<i>Can this dream be realized?</i>	<i>How are we going to pull this off?</i>	<i>How can we build this to be viable?</i>	<i>How can we sustain the momentum?</i>	<i>What do we need to redesign?</i>
Governance	Not yet a concern	Formal governance structure created, homogenous, small, passionate board of directors, working board	Expansion of the board size, first "outsider" on board, reactive rather than strategic	The governing role is in its prime, few founding board members remain, board discussions broadly focused, well developed committees, board role is to ensure well-being and longevity of the organization, board-staff roles are clearly defined, diverse composition	Turnover of board membership and leadership, development of formal linkages with other organizations, clarification of board roles and responsibilities
Staff Leadership	Entrepreneurial, visionary, no positional leader, often volunteer	Single-minded, driven, sole decision maker, visionary, entrepreneurial, charismatic	First paid executive director, who is directive, unavailable, high-energy, needed both internally and externally	Well-rounded executive director, needs good delegation skills, assistant director in place, complemented by good program managers, "founder's syndrome"	Founder likely to leave; change agent needed; a decisive, highly motivated individual whose strength is integrating diverse perspectives; has experience and knowledge of finances

Financing	Not yet a concern	Start-up funding granted, limited funds, no accounting systems, in-kind donations of expertise	Greater need for financial resources, a few funder relationships established, proficient use of in-kind donations, discussion of revenue-generating schemes	Stable funding, development of an operating reserve, need for exploration of new and expanded funding sources, fundraiser position added	Critical examination of funding sources, strategies, and systems; new funding sources located; growth of a development office
Administrative Systems	Not yet a concern	Few formal systems, a home office, small and agile	High need for administrative systems, first office space rented, first administrative staff hired, systems of accountability developed, technology and equipment purchased	In their prime, policies and procedures are well developed, multiple support staff, revamping of hardware and software	Administrative systems revamped, centralization of many aspects of the systems
Staffing	Not yet a concern	Dedicated group of volunteers, no paid staff	Paid staff hired, volunteers still critical part of staffing strategy, lack of job descriptions	Organization size is at its peak, program managers hired increased diversity of staff, volunteer structure self-perpetuating, volunteer coordinator hired, first staff firing may occur	Many changes in program staff, push for internal and external collaboration, new staff hired, existing staff reassigned, volunteer system reevaluated
Products and Services	Extremely informal or not yet a concern	One primary activity or a mix of varied, loosely related activities	One primary activity, refinement in program delivery, need to say “no” to program ideas due to	Programs well-designed and functioning at high level, long-range program planning,	Reexamination and redefinition of activities, longstanding programs may close, collaborative

			lack of resources	core programs secure but new programs being tried, many opportunities for expansion	programming encouraged, new products and services developed
Marketing	Not yet a concern	Word of mouth, no formal marketing	Fact sheet of first brochure developed, word of mouth still primary marketing avenue	Sophisticated marketing efforts, professional image, marketing plan developed, organization expands beyond word-of-mouth promotion	On hold until reorganization stabilizes, once stabilized marketing forges ahead
Obstacles	Fear of formalizing, lack of funding, no outside support	Fear of formalizing, reactive leadership	Absence of systems of accountability, overwhelmed with new elements entering the organizational system, danger in remaining an isolated system	Lack of control <i>or</i> too much control by organizational leadership, lack of risk-taking, organizational stagnation, board unable to move to a governing role, board focuses too much on day-to-day operations	Resistance to change, isolation of the agency, too much control exercised
Opportunities	Creativity and energy of the dream, attracting new people to the dream	Excitement of funders, people wanting to join the organization, charismatic leader	Sense of accomplishment, creating a flexible, innovative organization receptive to change, diversification of the agency	Feeling of security, adequate human and financial resources, new staff and board brings fresh ideas	Wisdom from the past, energized and committed staff, opportunities for new partners and allies