Five Life Stages of Nonprofit Organizations

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Source Materials

Five Life Stages of Nonprofit Organizations
Judith Sharken Simon and J Terence Donovan
Original Publication by the
Amherst H. Wilder Foundation

And

Navigating the Organizational Lifecycle – A Capacity
Building Guide for Nonprofit Leaders
Paul M. Connolly
Original Publication by Boardsource
Covered in Today’s Workshop

Basic understanding of:

- The nonprofit Five Life Stages model
  - The Obstacles and Opportunities presented within each life stage
  - The Arenas of the nonprofit business and their interplay
  - Use of the assessment tool and score sheet

- Using the life stages assessment as the basis for building organizational capacity
Shifting Gears

✓ Knowing what each gear feels like
✓ Knowing when to shift
✓ Knowing what is going to happen next
Knowing What is “Normal”

- Helps the Organization:
  - Plan for the future
  - Put problems and challenges in context
  - Better manage transitions through capacity building
Organizations Evolve Naturally

✓ Leaders have different roles and responsibilities in each stage

✓ Leadership changes are inevitable & necessary
Factors that Trigger Changes

✓ Age of the organization
✓ Industry you are working in
✓ Societal interests
By Understanding Normal Life Cycle Changes.....

✓ Leaders, Managers and Board Members Can:

- Project/Predict future needs of the organization
- Make plans and decisions proactively
- Understand that stress in normal/inevitable
- Ease the burden
- Build Organizational Capacity
Life Stages of Nonprofit Organizations

1. Imagination and Inspiration
2. Found and Frame
3. Ground and Grow
4. Produce and Sustain
5. Review and Renew
Decline and Dissolution

✓ No matter the stage, organizations can be well or unhealthy

✓ Checklist can alert organization to areas of concern

✓ List of red flags

✓ The more issues checked, the more serious an organization’s issues may be
Assumptions

✓ Organizations generally move forward
✓ Patterns and speed are predictable
✓ Organizations are multidimensional
✓ Patterns are inevitable and can be measured
Five Factors Influence Stage

- ✓ Age
- ✓ Size
- ✓ Growth rate of your field
- ✓ Social environment
- ✓ Characteristics of primary leader(s)
FACT:

Each Stage is Equally Valuable!
Interplay of 7 Arenas of Organizational Life

✓ Governance
✓ Staff Leadership
✓ Financing
✓ Administrative Systems
✓ Programs, Products and Services
✓ Staffing
✓ Marketing
Obstacles Along the Way

✓ Critical Factors
✓ Primarily Internal
✓ Can hinder development
✓ MUST be acknowledged and addressed
Opportunities Arise

✓ Aids to organization’s successful development

✓ MUST be acknowledged and acted upon
Overview of Life Stages

Handout:
✓ What each stage looks like
✓ Primary questions being asked
✓ Obstacles
✓ Opportunities
✓ Duration of stage
✓ Tips for getting through each stage
Life Stage Assessment

- Determine the Life Stage of your organization
- Anticipate upcoming obstacles and opportunities
- Make plans and decisions proactively
Using The Assessment 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
Vital Role of Assessment Results in Planning

Building organizational Adaptive Capacity

- SWOT Analysis
- Needs Assessment
- Program Evaluation
- Knowledge Management
- Strategic Planning
- Collaboration and Partnerships
Navigating the Transitions

Required Core Capacities:

✓ Adaptive Capacity
✓ Leadership Capacity
✓ Management Capacity
✓ Technical Capacity
Conclusion:

- The lifecycle model is one tool that nonprofit board members and chief executives can use to assess their organization and gain a better understanding of where they are today.

- The model can help anticipate obstacles and provide strategies to enhance organizational effectiveness.

- It can help anticipate and avoid internal tensions or mission failures which may occur during times of transition between stages.