

# *Board Transformation Toolkit*



## Understanding **Nonprofit Lifecycles**



**center for  
nonprofit excellence**

COMMUNITY FOUNDATION FOR MONTEREY COUNTY

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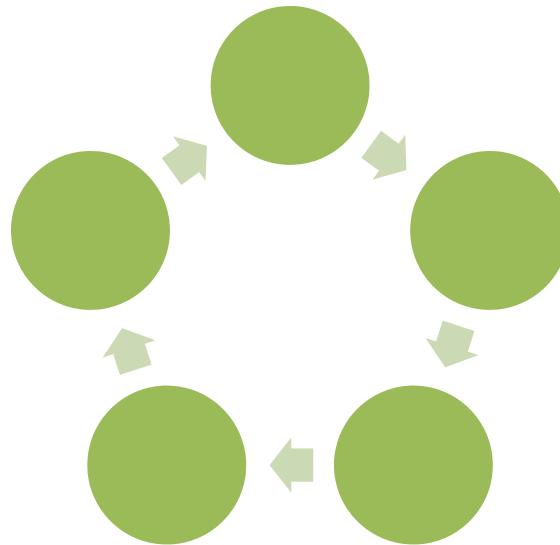
☺ Discuss = stop and discuss topic

Underlined titles addressed in the FAQ document

# Life Cycles

## Adapted From:

- Nonprofit Life Cycles Overview, by Speakman Management Consulting
- Becoming Who You Are: A Lifecycles Approach to Nonprofit Capacity, by Susan Kenny Stevens, Ph.D.



# Stages Defined

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



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Excerpted from the book *Nonprofit Lifecycles: Stage-based Wisdom for Nonprofit Capacity*. All rights reserved.

# Value of Using Stages

- Provides a method for evaluating organizational growth and development
- Sets realistic expectations
- Recognizes when practices are not well organized
- Assists the staff and board to be more effective planners



# Keep in Mind

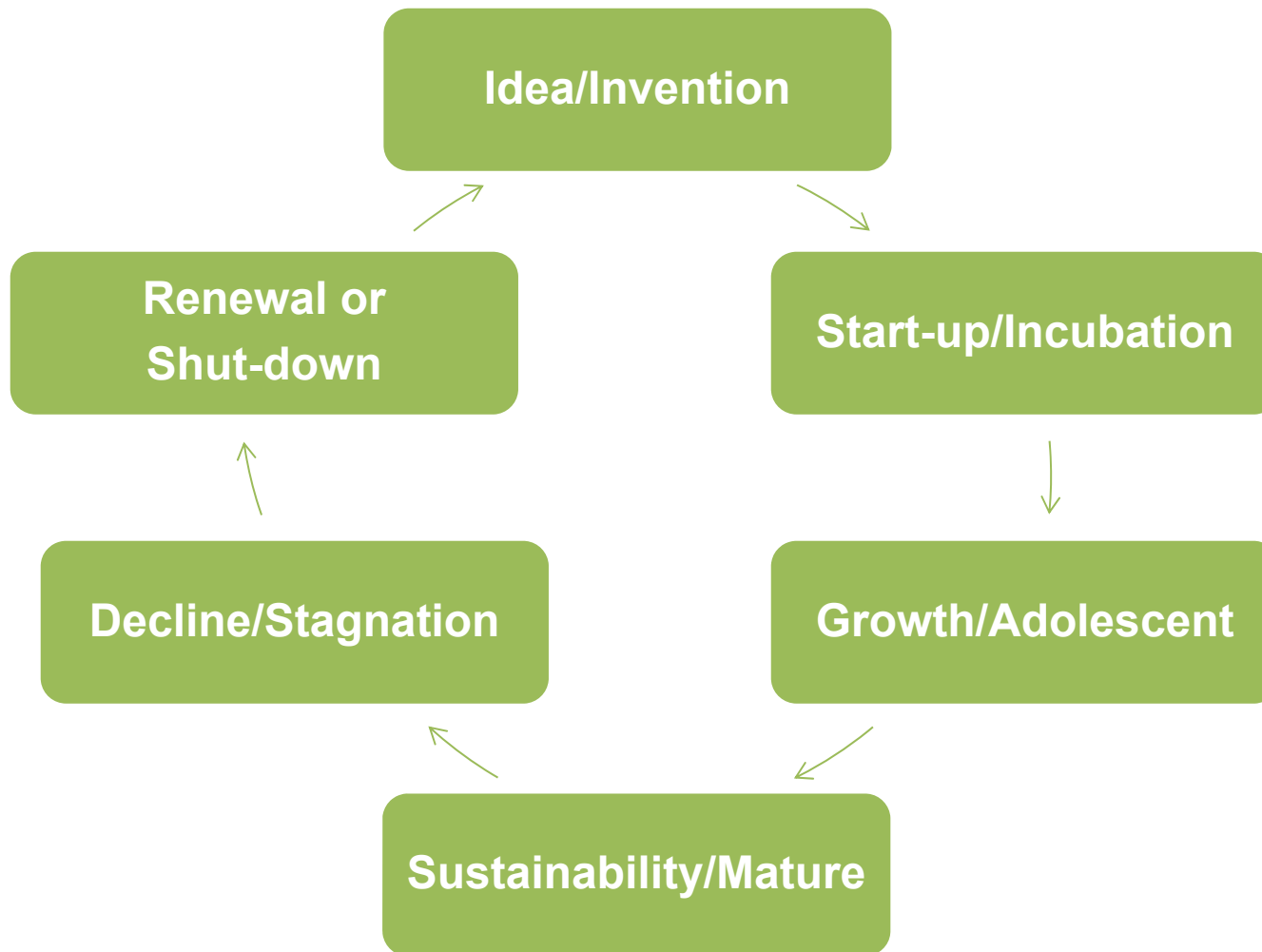
Review the Assessment and Handout in this Toolkit to consider the stage of your organization.

## Keep in mind that:

- There is no exact number of lifecycle stages.
- Moving from one stage to another is not necessarily sequential or evolutionary.
- Stages are not age or size dependent.
- Stages are used as a diagnostic tool.



# Stages of Development



# Idea/ Invention

## A community need sparks a founding idea

- *Key Question: Is the dream feasible?*

## Obstacles

- Programs are not yet defined
- Lack of funding/expertise
- No outside support

## Opportunities

- Creativity and energy for the dream
- Excitement to join



# Start-up/ Incubation

**Energy and passion are high but systems lag behind**

➤ *Key Question: How do we get started?*

## **Obstacles**

- Sustaining initial enthusiasm
- Focusing the founder's energy
- Fear of formalizing

## **Opportunities**

- Charismatic leader
- Excitement of funders



# Growth/ Adolescence

## Program opportunity and service demand exceed capacity

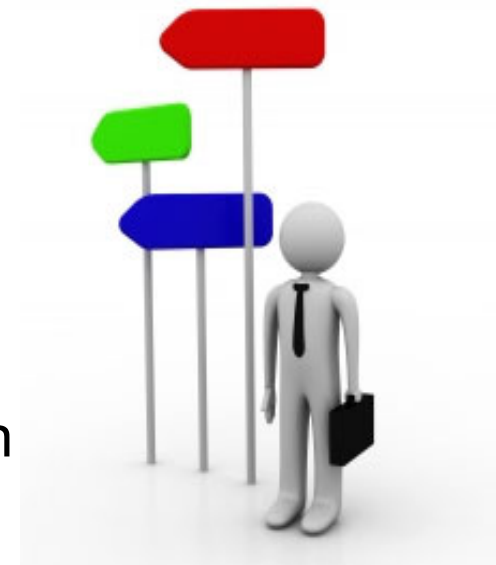
- *Key Question: How can we build this organization to be viable?*

## Obstacles

- Overwhelmed with change
- Absence of systems and accountability

## Opportunities

- Rejuvenation for the founders
- Diversification in all areas of the organization



# Maturity/ Sustainability

## Solid organization provides quality services

- *Key Question: How can we ensure sustainability?*

## Obstacles

- Board and staff too operational
- Lack of risk taking

## Opportunities

- Adequate resources
- Ability to try something new



# Stagnation & Renewal

## Diminished programs and insufficient income

- *Key Question: How (if at all) can we renew?*

## Obstacles

- Inability to address key challenges
- Isolation of the organization

## Opportunities

- Think “outside the box”
- Strategic partnerships



# Shut-down

**Organization loses its will, reason and energy to exist**

➤ *Key Question: Should we close?*

## **Obstacles**

- Financial crises
- Loss of staff and volunteers

## **Opportunities**

- Graceful sunset or merger
- Or commitment to complete turnaround

😊 Discuss



# Keeping the Board Strong

## Idea/Invention

- Board learns about effective governance
- Communicates with supporters about board service
- Names a board chair
- Develops a mission and vision



# Keeping the Board Strong

## Start-Up/Incubation

- Creates/Formalizes the board
- Offers training on roles and responsibilities
- Constructs a formal governance structure, including committees
- Attracts outside support



# Keeping the Board Strong

## Growth/Adolescent

- Creates sense of ownership through board retreats
- Formalizes board recruitment, orientation, mentor program, and ongoing training
- Diversifies board composition
- Focuses on policies
- Diversifies revenues
- Moves to program and strategic focus



# Keeping the Board Strong

## Sustainability/Maturity

- Conducts annual board evaluations
- Improves board fundraising capacity
- Enhances board committee structure
- Addresses strategy in board meetings



# Keeping the Board Strong

## Decline/Stagnation

- Re-connects with community needs
- Re-energizes or develops new board
- Clarifies board roles
- Explores partnerships with others
- Revises planning through board retreats



# Keeping the Board Strong

## Renewal

- Re-energizes or develops new board
- Re-engages around the mission
- Finds a turnaround leader
- Employs frank and open dialogue with staff, funders, and the community
- Restores community credibility



# Keeping the Board Strong

## Shut-down

- Terminates operations in an honorable manner
- Communicates frankly with staff, funders and community
- Engages third party to mediate conflicts as necessary



# Material in this Toolkit

- Facilitator's Guide and Frequently Asked Questions (FAQs)
- Additional Material: "Nonprofit Organizational Life Cycle" Handout by Speakman Management Consulting
- Assessment The Lifecycle of Nonprofit Organizations
- Action Plan Worksheet

# Additional Resources

- [WEB The Nonprofit Life Stage Assessment \(Fieldstone Alliance\)](#)
- [WEB Becoming Who You Are: A Lifecycles Approach to Nonprofit Capacity \(Donor's Forum of Wisconsin\)](#)
- [WEB Stage-based Nonprofit Lifecycles \(Philanthropy NW\)](#)
- [WEB Board Passages: Three Key Stages in a Nonprofit Board's Life Cycle \(Management Assistance Group\)](#)

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the James Irvine foundation



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The toolkits were developed by the Community Foundation for Monterey County and are intended to be used by and with the volunteer boards of nonprofit organizations. You are free to copy, distribute, transmit, and adapt the materials as long as you credit the Community Foundation for Monterey County and do not use the work for commercial purposes.

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