NOT-FOR-PROFIT ORGANIZATIONAL LIFECYCLES

	Founding *Passionate, determined & highest energy*	Grounding *Formal status, informal structure*	Growing *Duty, hierarchy and salaried employees*	Sustaining *Roles, comfort and corporate*	Decline/Decision *- Status Quo turns to decline - decide to reinvent or close the doors*
Programs	– Extremely informal or not yet a concern – Perceived need for a program or service	– Simple programs are initiated or a mix of diverse & nonintegrated activities – Referrals & marketing by word of mouth	– Programs begin to establish with demand often greater than capacity – More niche focus with a specific audience – First official promotional material	– Core programs are established & recognized in the community – Long range program planning with new programs added & deleted as required – Marketing plan & professional image	– Loses sight of market as programs developed primarily to attract funding – Difficulty & inconsistency in delivering quality services – No real proactive marketing & community relation building
Management	– Entrepreneurial & visionary leader – All volunteer driven, no salaried employees	– Single minded founder whose vision drives the organization; sole decision making with little or no hierarchy – Small (if any), enthusiastic staff with most work still completed by volunteers	– Beginning strategic division of labor with start of hierarchy; executive director still primary decision maker – First job descriptions & personnel policies – Often lack of time & constant sense of urgency; first intro of specialists that require competitive compensation	– Second or third generation leadership, leader inspires confidence among all stakeholders – Larger, vertical organization chart with clear delegation of authority & accountability; more diverse staff & professional managers	– Low staff morale; high turnover – Committed to status quo, organizational slippage is ignored, focus is on individual programs instead of organizational goals – Change agent needed – 'Founder's Syndrome' felt (if still leading)
Governance	– Not yet a real concern	– Board in place, but largely operational do not view themselves in a governance role – Small, passionate, & homogenous; tend to be hand chosen by ED or have personal connection to mission – Tend to defer decisions to ED	– Board expansion – first "outsiders" added who are professionals with expertise higher org. performance expectations – Transitioning to governance board focus more on planning & oversight – More reactive than strategic in policies	– Board size & diversity increases, organized for maximum effectiveness; – Accountable, keeps mandate focused & vital; Board sets direction, leaves mgt to leader	– No or very high board turnover – Less involved, only takes action when money starts to run out; not focused on community response to organization – Sluggish, bogged down in structure that may be outdated
Operations	– Not yet a concern – No real 'home office'	– Few formal operational systems or routines; agile and flexible – Frequent informal communication	– Systems of all types required to meet demands of program expansion, more fundraising, more marketing – Permanent home office with admin support – Internal communication is challenging	– Coordination through formal planning – Standardized systems, policies & procedures are efficient and support timely decision-making – Better integration of technology, data management, & regular communications (internal & external)	– Well-developed systems become "red-tape"; may become too complicated & expensive to change – Physical space may be deteriorating
Financial	– All resources are in kind	– Focus on gathering resources; overly dependent on a few funding sources – Low budget operation, possibly hand-to-mouth; budget is the sole financial document with limited to no financial/accounting systems	– Income sources diversifying but still unpredictable – Cash flow problems; more sophisticated financial management systems are needed – Cost considerations are more important	– Reliable & diverse funding streams – Significant cash reserves; reasonably accurate financial forecasting & deficits generally avoided – Additional fundraising staff support – Revenue generation	– Insufficient cash reserves – Loss of financial support; not bringing in new funding sources – Averse to cutting expenses, if asset-rich looking to prior earnings to cover current costs