

Nonprofit Life Cycle

	Idea	Start-up	Growth	Maturity	Decline	Crisis	Turnaround
Leadership	Founder lead	ED manages most organizational functions	<ul style="list-style-type: none"> ED delegates some leadership function to senior staff Succession is planned Expanded leadership team Some staff development 	<ul style="list-style-type: none"> Effective senior leadership Successful leadership succession 2nd/3rd generation from founder 	<ul style="list-style-type: none"> Loss of trust and accountability of ED and senior leadership Multiple ED transitions 	<ul style="list-style-type: none"> Inconsistent leadership Gaps in leadership Conflict 	Strong leadership
Board	Basic for filing or none	<ul style="list-style-type: none"> Formal governance in place Homogeneous group 	<ul style="list-style-type: none"> Board expansion based on needs More outsiders with special skills Focus on planning and oversight Community representation 	<ul style="list-style-type: none"> Board focused on policy and strategy No involvement in management Strong committee function Clear roles, responsibilities, job descriptions Healthy turnover 	<ul style="list-style-type: none"> Lack of engagement Membership waning Awareness of operational issues is low 	<ul style="list-style-type: none"> Not fulfilling fiduciary responsibilities Can't retain or attract board members Attendance/Quorum issues 	Smaller and committed Board
Staff/HR	<ul style="list-style-type: none"> Entrepreneurial Founder Reliance on volunteers for key functions 	<ul style="list-style-type: none"> Flat organization Decisions made by founder Blurred job boundaries 	<ul style="list-style-type: none"> Increased division of labor and decision making ED is key decision maker Board guidance with ED Clear job descriptions 	<ul style="list-style-type: none"> Clear division of labor Systems promote accountability Individual staff development plans (9-grid box) 	<ul style="list-style-type: none"> Turnover Inability to attract and retain talent 	<ul style="list-style-type: none"> Distrust among staff and leadership High contention and division Inability to fill key roles 	Staff cut to the most critical skills needed for repositioning
Programs	<ul style="list-style-type: none"> Need identified Informal Limited programs started 	<ul style="list-style-type: none"> Simple programmatic approach Strong Commitment to delivery 	<ul style="list-style-type: none"> Established in marketplace Consistent & focused delivery Programs generate revenue 	<ul style="list-style-type: none"> Programs well developed Focused on results and relevancy Programs are financial sustainable and generate surplus 	<ul style="list-style-type: none"> Losing market relevance Market saturation or duplication Programs generate deficit 	<ul style="list-style-type: none"> limited demand for programs Fierce competition competition moved on to provide other services 	Programs redesigned to align with emerging community needs
Revenue	Mostly in kind	<ul style="list-style-type: none"> Limited revenue Hand to mouth Events/limited group of donors 	<ul style="list-style-type: none"> Established donor relationships Improved revenue with periods of unpredictable, unstable reserves Building some reserves 	<ul style="list-style-type: none"> Multiple funders Diverse revenue streams Earned income Stable/predictable revenue Significant cash reserves 	<ul style="list-style-type: none"> Contracts/grants not renewed Decreased donor retention/loyalty Unstable revenue Over-reliance on fewer sources of revenue No new funding Budget deficits Falling behind in commitments 	<ul style="list-style-type: none"> Unstable revenue Insufficient cash on hand Deficit is the norm 	<ul style="list-style-type: none"> Reduced revenue Redesign business and revenue models
Financial Mgmt	<ul style="list-style-type: none"> Mostly in kind or volunteer Fiscal Sponsor Lack of effective budgeting 	<ul style="list-style-type: none"> Dedicated staff or contractor Cash based accounting Lack of planning for long term (overhead, maintenance, capital investments) 	<ul style="list-style-type: none"> Effective financial management and planning Transition to accrual based accounting 	<ul style="list-style-type: none"> Accrual-based accounting Effective budgeting process Endowment/Investment strategy Overhead, long term maintenance and capital is accurately budgeted for 	<ul style="list-style-type: none"> Reduced accountability and oversight 	<ul style="list-style-type: none"> Lack of accuracy in systems Can't produce accurate financial reports or picture Lack of transparency and trust in systems 	<ul style="list-style-type: none"> Budgets cut to meet cash flow needs
Admin/Ops	<ul style="list-style-type: none"> Not yet a concern No home office 	<ul style="list-style-type: none"> Few formal systems Operations are agile and flexible Informal management infrastructure Few operational routines or systems in place Frequent informal communication 	Financial policies and procedures in place	<ul style="list-style-type: none"> Program and operational coordination through formal planning Systems, policies & procedures in place Standardized and efficient operations Better integration of technology More data management Formal communications 	<ul style="list-style-type: none"> Well-developed systems become "red-tape" Poor planning and communications 	<ul style="list-style-type: none"> Departure from systems to crisis management Poor internal controls or too much red tape Cannot provide accurate picture of operations 	Processes are simplified to enable transformation and entrepreneurial spirit

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Marketing	No marketing	<ul style="list-style-type: none"> Limited/Ad hoc marketing Word of mouth 	<ul style="list-style-type: none"> Marketing strategy developed including social media Budget and staff allocated to activities Effective materials created 	<ul style="list-style-type: none"> Diverse marketing strategy Diverse channels Dedicated staff and budget Established reputation/presence 	<ul style="list-style-type: none"> Decreased public interest Budget cuts Reduced priority 	<ul style="list-style-type: none"> Unable to attract media/public attention Messaging is outdated and irrelevant to public interest 	Focus on regaining market share
Community	Direct link to funder (family/friends)	<ul style="list-style-type: none"> Outsiders join community Some collaboration with other organizations 	<ul style="list-style-type: none"> Expanded community model Articulated values Programming is better aligned to community needs Increased collaboration and collaboration Community model generates revenue 	<ul style="list-style-type: none"> Well recognized reputation in community Dedicated staff to community relations and advocacy Extensive community and collaborative partnerships Strong community impact Outcomes/goals are shared with partners Ability to adapt to changing community needs Staff/leadership reflect community served 	<ul style="list-style-type: none"> Decreased community participation Loss of reputation Loss of community partners/partnerships and collaboration Inability to keep pace with changing community needs Reactive strategy 	<ul style="list-style-type: none"> Community has moved on to other interests Lack of relevance to community needs 	Strong alignment to community needs.