

Nonprofit Lifecycle



Lifecycle Stages	Idea	Start-up	Growth	Maturity	Decline	Crisis
Impact	<ul style="list-style-type: none"> Informal – Need established, best practices integrated & pilot launched 	<ul style="list-style-type: none"> Pilot successful – Lessons integrated into design Measurement starts 	<ul style="list-style-type: none"> Established in marketplace – Strong results, partner-of-choice & consistent delivery 	<ul style="list-style-type: none"> Consistent results through robust evaluation Focused on continuous improvement, scale & system-building 	<ul style="list-style-type: none"> Need exists, but nonprofit isn't partner-of-choice Market duplication from other nonprofits 	<ul style="list-style-type: none"> Demand near zero Intense competition for resources & energy
Brand	<ul style="list-style-type: none"> Not utilized 	<ul style="list-style-type: none"> First official marketing materials – Primary method of marketing is word-of-mouth 	<ul style="list-style-type: none"> Build-out of marketing & communication needs, including public & media relations 	<ul style="list-style-type: none"> Sophisticated marketing & communications plan using multiple channels Everyone equipped to tell story 	<ul style="list-style-type: none"> Decreased public interest Issue area not discussed in the media 	<ul style="list-style-type: none"> Unable to attract media or public attention Messaging does not resonate with public
Revenue	<ul style="list-style-type: none"> Most are in-kind 	<ul style="list-style-type: none"> Limited financial resources – Lives hand-to-mouth 	<ul style="list-style-type: none"> More diverse financial resources with established relationships with funders, but still unpredictable 	<ul style="list-style-type: none"> High degree of financial diversity with established relationships with multiple funders Endowment exists Higher degree of financial predictability 	<ul style="list-style-type: none"> Funders are not renewing contracts and not contacting organization Low cash reserves Decreasing donor retention & loyalty 	<ul style="list-style-type: none"> Cash reserves insufficient to cover operating expenses Long-time donors tapped out
Operations	<ul style="list-style-type: none"> Entrepreneurial Founder using volunteer resources for guidance 	<ul style="list-style-type: none"> Flat organization – Decisions are likely made by Founder Volunteers needed for hands-on support 	<ul style="list-style-type: none"> Founder has hired or becomes Executive Director and is key decision-maker with Board guidance Volunteers are used as resources 	<ul style="list-style-type: none"> Leadership is often second or third generation from Founder Clear division of labor & accountability among staff 	<ul style="list-style-type: none"> Increasing turnover of staff & volunteers Decreased ability to attract top talent 	<ul style="list-style-type: none"> Inability to fill key roles
Culture	<ul style="list-style-type: none"> Culture is defined by Founder 	<ul style="list-style-type: none"> Culture is action-oriented 	<ul style="list-style-type: none"> Increased division of labor & accountability as staff is hired Culture is results-oriented 	<ul style="list-style-type: none"> Culture is well-defined and serves as a competitive advantage Volunteers are seen as ambassadors 	<ul style="list-style-type: none"> Decreased transparency 	<ul style="list-style-type: none"> High contention & division among staff Mistrust of leadership
Governance	<ul style="list-style-type: none"> Not yet developed 	<ul style="list-style-type: none"> Formal governance starts Most likely homogeneous group 	<ul style="list-style-type: none"> Board expansion – More diversity with more focus on planning & oversight 	<ul style="list-style-type: none"> Board is more policy- & strategy-focused Delegates management to Executive Director 	<ul style="list-style-type: none"> Board members hard to recruit, retain & engage Low focus of strategic issues 	<ul style="list-style-type: none"> Board not fulfilling fiduciary responsibilities

Organizational Elements