Susan Kenney Stevens' Lifecycle Phases - Diagnostic Characteristics

	Core Program Development	*Infrastructure Development*	*Impact Expansion*	*Stagnation*	*Renewal*	*Dissolving/Merging*
Overview	The beginning stage of operations, when energy and passion are at their highest, but systems generally lag far behind	Program opportunity and service demand exceed current systems and structural capabilities	The nonprofit has a reputation for providing steady, relevant and vital services to the community and operates with a solid organizational foundation and an overall sense of security.	Organization makes status quo decisions based on internal factors rather than external client needs that results in diminished client census and insufficient current income to cover operating expenses.	An organization that is at a critical juncture because of lost market share and revenues, but, through self-awareness and determination, has taken decisive action to reverse prior actions in favor of market relevance and organizational viability.	An organization that has lost its will, reason, or energy to exist.
Programs	Programs are simple, experimental, and generally have more breadth than depth. Willingness to do almost anything to prove that services can and should exist. Energy and dedication may take precedence over quality and protocols.	Organization begins to understand and define the distinctive methods and approach that separates its programming from others. Organization begins to find the right service mix, focusing on developing a specific niche to a specific clientele. Services begin to be less person-dependent and more positional.	Programs are well organized, results-focused and in touch with community needs. Organization balances favorite programs and methods against community relevance. Nonprofit resists the urge to play it safe and knows how to keep its spart alive through continual program renewal.	Programs are rigid, status quo, method focused, and inordinately focused on pride in past achievements. Programs are losing clients to others whose approach is more accessible and possibly less expensive. Client feedback mechanisms don't exist, and customer service processes may be cumbersome.	Programs are reassessed and modified in light of current market needs and financial viability. Client, constituent and funder input is sought for program redefinition. Programs are probably fewer in number than before.	Programs are unreliable, unsteady, and seriously underfunded.
Management	Leader is a "spark-plug" and the group's most experienced staff person. First staff are generalists, wear multiple hats and live the mission with complete enthusiasm. Managers and staff thrive on the thrill of not knowing what tomorrow will bring.	Organization is led by people who see infinite potential for services. Staff battle against lack of time and a general sense of urgency; ther eis always something more to be done. Staff are exhausted and tired of continual "change." First introduction of staff specialists who require competitive compensation. Founder (when present) may show ambivalence about changes necessitated by growth.	Executive leadership is often second or third generation from the originators. Management is perceived as a leader among industry peers. Staff is seasoned and able to manage delegated functions. Executive Director inspires confidence in staff, board and community.	Management is complacent and committed to status quo. Organizational change is either unseen, denied, or blamed on external sources. Management is trapped by commitment to programs, staff, systems or policies, no matter how outdated or poorly they are working.	Turnaround leader is a gutsy, strong-willed person with a clear sense of direction and the ability to inspire confidence in others. Manager is decisive, able to size up problems, and mobilizes resources effectively. Management has gained staff buy-in and no longer makes community promises it can't keep.	Staff and management have dwindled to a handful and possibly may be working without pay.
Governance	Members almost always have a personal connection to misison or founder. High respect for charisma, self-sacrifice and sweat equity of the founder can cause members to defer rightful board decisions to founder or staff. Board operates as a committee of the whole; members generally do not view themselves in a "governance" role.	Board moves beyond "friends" with personal affiliations and recruits outside professionals who bring increased expectations for performance. Board members need to be able to understand risk and make informed decisions expeditiously as opportunities arise. Board structure begins to appear.	Board sets direction, is policy-oriented and leaves management to Executive Director. Board plays a leadership role and has the competence to keep nonprofit focused and vital. Board is organized for maximum effectiveness and has a structure for continuity of leadership and culture.	Board is unaware there is something wrong; they think things are running smoothly and often don't take action until money starts running out. Lack of organizational "spark" or one too many crises, causes ennui and diminished attendance. Board may operate with a strategic plan, but it is focused on "what we want to do" rather than community need. A new board member is generally the "whistle-blower" calling the status quo into question and if willing, puts the turnaround process in motion.	A core of committed board members are ready to do what it takes to restore organizational integrity. Turnover has shrunk board down to only the committed members. Board supports turnaround manager in leadership role and helps to regain institutional credibility.	Board has lost its collective drive to continue and may exist in name only.
Resources	Usually a low-budget, bootstrap operation unless seeded initially by a major start-up grant. Budget is often the sole financial document. Organization usually operates on a cash rather than accrual basis.	Most sources of income create greater accounting and compliance complexities. Beginning movement from income-only focus toward concern about balance sheet and asset issues. More sophisticated financial tracking systems are required.	Organization has multiple sources of income and is not dependent on one source of funding. Accurate financial forecasts are made and deficits generally avoided. Organization has sufficient financial flexibility to at least partially self-fund new initiatives.	Organization is adverse to cutting expenses, even though declining client census results in decreased revenues and grant support. Asset-rich organizations look to the balance sheet's prior earnings to cover current expenses. Fixed assets may be inflexible to changing program need and contribute to program decline. Budgets are fixed-cost and expense heavy, with income projections reflecting past experience rather than current reality.	Financial crisis is the usual trigger-point, which, by the time it is addressed, leaves the organization short or out of cash. Willingness to cut expenses to reflect realistic income and cash flow.	The organization is most likely out of money and may have accumulated deficits. Creditor calls are persistent and insistent. Funders have stopped multiple-year grants.
Systems	Financial and administrative functions and systems are generally weak and may be out-sourced to others.	Current systems, never good to begin with, must now be substantially improved to meet demands of continual program expansion and rising compliance expectations.	Administrative systems are at or near levels of sophistication required for competent management and decision-making. Organization operates from an outlined course of action for routine client, board and personnel matters. Regular communication mechanisms exist within the agency and with outside publics.	Systems, although developed, are often antiquated and physical space may be deteriorating.	Existing policies and procedures may be too complex, expensive, and "mature" for the turnaround organization.	Systems have been abandoned. Organizational decisions and general workflow happen on an ad hoc basis.
Suggested Capacity Building Tools by Stage	Needs assessment, board development (recruitment), strategic planning.	Strategic planning, board development (roles, responsibilities), financial management systems/services, development consulting (revenue diversification), marketing (programmatic and organizational).	Organization development, evaluation and assessment, regular strategic planning.	Coaching or mentoring for leadership, organization development, adaptive capacity strategies (planning, assessment, evaluation geared to support renewal), succession planning.	Change management services (OD, appreciative inquiry, strategic planning), board development (rework roles & responsibilities and recruit new members), Executive transition.	Merge or dissolve the organization.