

# ORGANIZATIONAL LIFE CYCLES & EVOLVING ROLES



**Connie Carter, CFRE**

**Sylvia/Carter & Associates**

[ccarter@sylviacarter.com](mailto:ccarter@sylviacarter.com)

484.319.6454



**Corrine Sylvia**

**Sylvia/Carter & Associates**

[csylvia@sylviacarter.com](mailto:csylvia@sylviacarter.com)

215.627.2313

**Zoom 12-1pm  
Board Workshop Series**

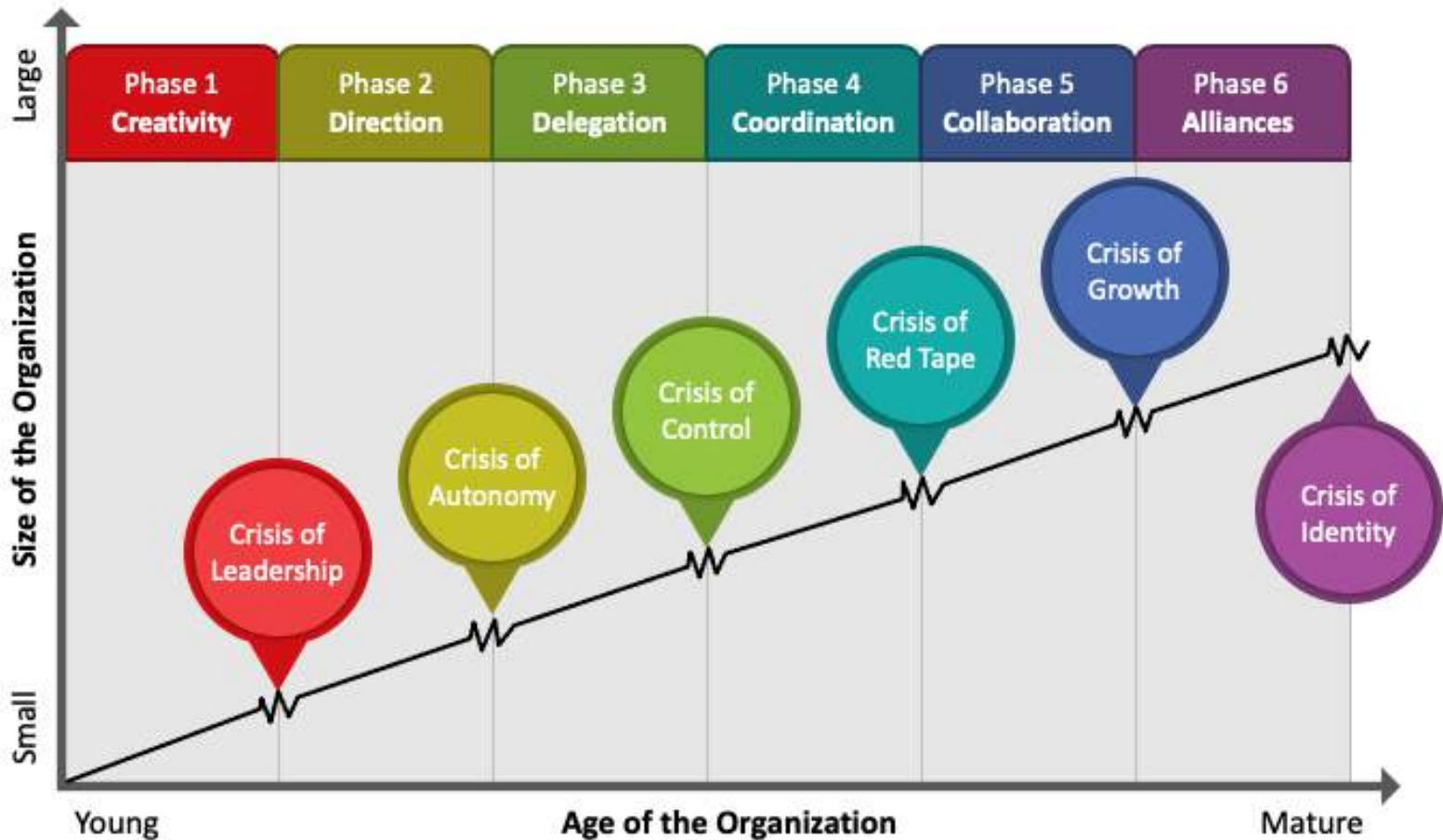
# BASIC BOARD RESPONSIBILITIES

1. **Ensure Legal & Ethical Integrity**
2. **Build a Competent Board**
3. **Determine Mission, Vision & Purpose**  
**Ensure Effective Planning**  
**Monitor Program & Service Quality**
4. **Protect Assets, Manage Resources Wisely & Ensure Fiscal Oversight**
5. **Ensure Adequate Resources**
6. **Enhance the Nonprofit's Public Standing**
7. **Hire, Support, Monitor & Evaluate the Chief Executive**



# PASSAGES: ORGANIZATIONAL LIFE CYCLE PHASES

*"Evolution & Revolution as Organizations Grow,"* Larry Greiner, Harvard Business School; adapted by Karl Mathiasen for nonprofits



# DETAIL: ORGANIZATIONAL LIFE CYCLE PHASES



	PHASE OF CREATIVITY		PHASE OF DIRECTION		PHASE OF DELEGATION		PHASE OF CONSOLIDATION		PHASE OF COLLABORATION & ALLIANCES
<b>I D E A</b>	One big family working for the cause; everyone pitches in	<b>L E A D E R S H I P</b>	Operating procedures standardized & documented	<b>A U T O N O M Y</b>	Expand into new project areas	<b>C O O R D I N A T I O N</b>	Formalized planning provides coherence & consolidation	<b>T E A M  A C T I O N</b>	Focus on team & collaboration
	<b>MANAGEMENT FOCUS</b>								
	Commitment to cause		Efficient operations		Market expansion		Org consolidation		Nimble via teams
	<b>ORG STRUCTURE</b>								
	Informal		Centralized		Decentralize		Team approach		Task groups
	<b>TOP MANAGEMENT STYLE</b>								
	Individual, entrepreneurial		Directive		Delegate		Monitor		Matrix
	<b>REWARDS</b>								
	Mission, meaning		Mission, meaning		Mission, project bonuses		Mission, merit increases		Mission, merit increases
	<b>CONTROL SYSTEM</b>								
	Tangible results		Standards		Profit center reports		Plan updates, dashboards		Plan updates, dashboards
	<b>COMMUNICATION</b>								
	Frequent, informal		Formal		Decentralized		Frequent, transparent		Frequent, transparent




- # of employees increases
- Informal communications inadequate
- Charisma & cause insufficient to keep org running
- Burdened w/mgmt responsibilities & demand more structure
- Fears of impending bureaucracy
- Longing for the good old days
- Time to let go of our baby

- Hierarchy: Lower staff does not share ownership
- Procedures rigid; stifle initiative
- Demands for greater autonomy & staff participation in decisions

- Projectitis/fiefdoms rampant
- Coordination breaks down
- Focus on individual projects
- Calls for renewed sense of overall direction

- Red tape
- Proliferation of planning
- Accountability systems can exceed their utility

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<b>I D E A</b>	One big family working for the cause; everyone pitches in	Operating procedures standardized & documented	Expand into new project areas	Formalized planning provides coherence and consolidation	Focus on team & collaboration
	<b>MANAGEMENT FOCUS</b>	Efficient operations	Market expansion	Org consolidation	Nimble via teams
	Commitment to cause				
<b>BOARD ROLE</b>	Following or Leading (hands-on) <i>Direct Service Vol</i> <i>Management Vol</i> <i>Governance</i>	Volunteer governing (hands on) <i>Fundraising Governance</i> <i>Direct Service Vol</i> <i>Management Vol</i>	Volunteer governing to Institutional <i>Fundraising Governance</i> <i>Management Vol</i>	Institutional <i>Fundraising Governance</i>	Institutional <i>Fundraising Governance</i>

## BOARD ROLES: EMPHASIS SHIFTS IN EACH PHASE

**Governance:** collective policy formation

**Fundraising:** help plan and orchestrate resource development initiatives

**Management Volunteer:** serve as advisor to management and/or perform managerial tasks

**Direct Service Volunteer:** 'rank and file' volunteer, providing services to consumer

*"Evolution & Revolution as Organizations Grow,"* Larry Greiner, Harvard Business School; adapted by Karl Mathiasen for nonprofits



# ADDITIONAL VARIATIONS OF NONPROFIT LIFECYCLES MODEL

## Stage 1: Idea

- Informal organization
- Idea & personal mandate to fill societal, programmatic, or cultural gap in community

## Stage 2: Start-Up

- Beginning of organizational operations
- Mission, energy & passion reign
- Informal governance, management, resources

## Stage 3: Growth

- Mission & programs clearly underway
- Service demand exceeds structural & resource capabilities

## Stage 4: Maturity

- Well-established organization with smooth operations
- Reputation for relevant, high quality services

## Stage 5: Decline

- Services no longer as relevant to market
- Decisions status-quo
- Declining appeal creates insufficient operating income to cover expenses

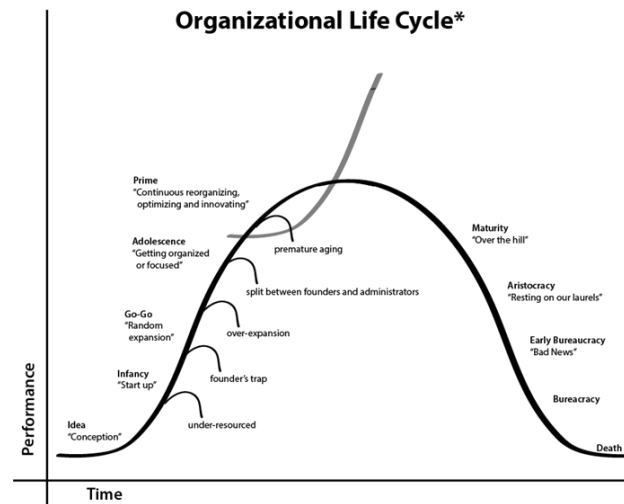
## Stage 6: Turnaround

- Face critical juncture due to lost market share & revenues
- Decisive action to consciously reverse prior actions

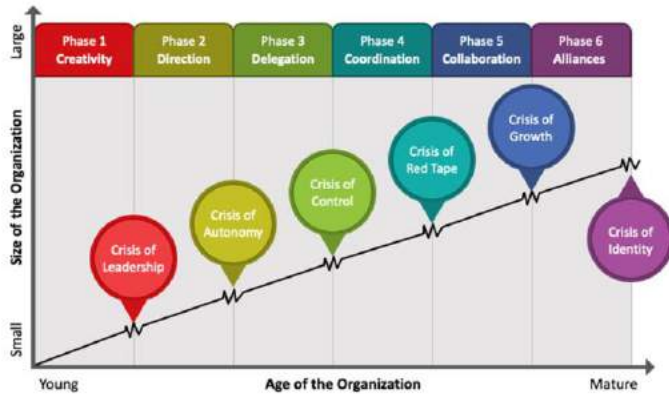
## Stage 7: Terminal

- Organization lacks will, purpose & energy to continue
- Exit strategy executed

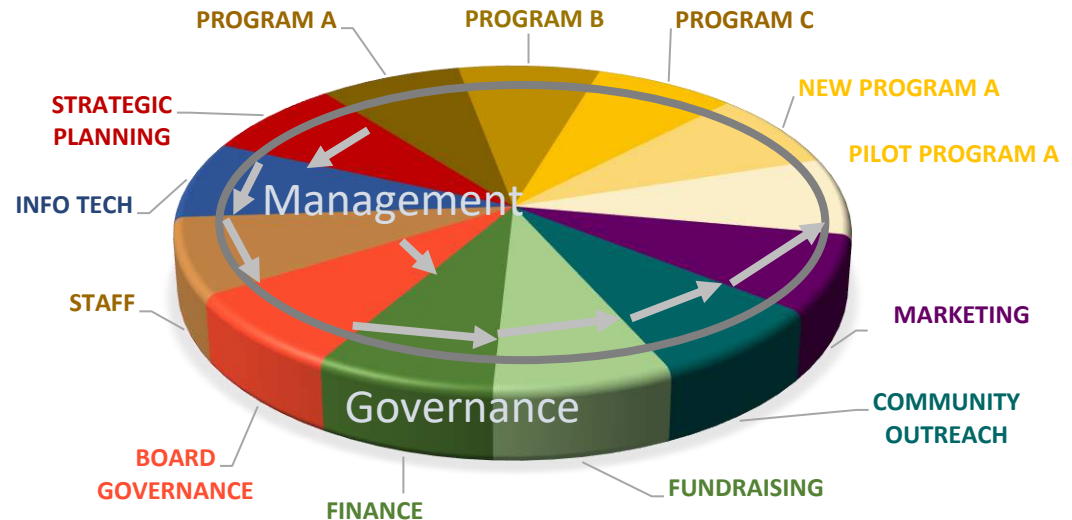
## Five Phases of Organizational Life Cycle



# BOARD & STAFF/GOVERNANCE & MANAGEMENT: SHARED RESPONSIBILITY AREAS, SHIFT AS ORG REQUIRES



## BOARD & STAFF RESPONSIBILITY SHARING



### BOARD ROLES: EMPHASIS SHIFTS IN EACH ORG LIFE CYCLE PHASE + EACH FUNCTIONAL AREA

**Governance:** collective policy formation

**Fundraising:** help plan and orchestrate resource development initiatives

**Management Volunteer:** serve as advisor to management and/or perform managerial tasks

**Direct Service Volunteer:** 'rank and file' volunteer, providing services to consumer

# SAMPLE: BOARD RESPONSIBILITIES

- **Oversee and direct all affairs of the nonprofit per its mission, by-laws and the concepts of fiscal responsibility.**
- **Long term planning, marketing, financial development planning, board development, and annual budgeting. Day-to-day operation is delegated to the Executive Director/CEO and staff, and their delegated volunteers.**
- **Understand and promote the organization and its mission to corporations, foundations, governmental organizations and to individuals to broaden its service base as well as its financial base.**

## Board Member duties:

- **Attend quarterly 2-hour Board meetings & actively participate in the governance of the organization.**

*Members missing 3 consecutive meetings in 1 year can be automatically removed from the board.*

*Members who need a 3-6 month extended leave of absence, due to personal or professional circumstances, should request one.*

- **Counsel the Board Chair & Executive Director/CEO as needed**
- **Support outreach and fundraising events, by contributing time, money & friends**
- **Annually make an individually significant financial contribution to the organization**
- **Consider including the nonprofit in your estate plans, thereby making a planned gift & leaving a charitable philanthropic legacy**
- **Annually evaluate the work of the Board as a whole**
- **Annually evaluate the work of the Executive Director/CEO**
- **Actively serve on at least one Board Committee**

*Committee Chair reports at each Board meeting & Chairs committee work sessions between Board meetings.*



**The expected time commitment is 4-8 hours per month:**

**Quarterly Board meetings @2 hours + quarterly committees @2 hours + prep/follow up  
+ attend programs, trainings events & fundraisers**

**Board terms are 2 years, with a maximum of two consecutive terms. One-third of the Board rotates each year.**



# SCENARIOS: QUESTIONS, COMMENTS, OBSERVATIONS?

1. The board just hired the nonprofit's first executive director, and everyone on board is excited and relieved. The workload was getting to be too much, so now a staff member can focus full-time on the nonprofit's needs. The board chair continues to set the agenda and run board meetings. The executive director is invited as a guest, since they are not a board member. The new, first-time executive director accepts this, as **the board says they lead the organization and staff manages daily details**. Questions? Comments? Observations?

2. The same board described in #1 wants a lot of **social media designed and posted**; and the new executive director simply can't keep up and doesn't have the time amidst all the other seemingly more important priorities. A board member offers to take it over for the executive director. Good idea or not? What controls/agreements should be put in place?

3. A board wants to hire a **fundraising consultant to work for a percentage of the funds raised**; and someday have enough money to hire them as a staff member. Good idea or not? Options?

4. A nonprofit is having an issue recruiting enough volunteers to help. Staff is doing all it can to fill in amidst their other work but cannot fill the gap. **A Board member offers themselves and their extended family to provide the services, below the typical market cost, but still, for a fee**. No board members have EVER been paid for their efforts on behalf of the nonprofit. What is the board's role here?

5. Even though COVID doesn't necessitate it anymore, **some Board members want to meet person and some by zoom**. The nonprofit's solution is to hold all Committee meetings by zoom; and quarterly full-Board meetings in person, at a country club that has sufficient space and ventilation for social distancing. The country club will not offer meeting space; the board has agreed that the nonprofit should budget for buffet dinners, so that board members can socialize. A board member asks if adult beverages (wine, beer, mixed drinks) are included. Should **alcohol** be served? (In the pre-board meeting meet/greet, during the board meeting &/or during buffet dinner.) Questions? Comments? Observations?

