ACT YOUR AGE by Mike Burns, BWB Solutions
Organizational Lifecycles: How they Impact your Board

Are the following statements about nonprofit boards true or false?

- Boards should follow the guidelines that have been neatly and precisely laid out for them by outside consultants or other experts.
- Board members must "give, get or get off".
- Boards must focus on long range planning and policy development and not be involved with operations.
- Boards should use a committee structure to do the homework of the board.
- Board members should have term limits.
- Boards should never be smaller than 9 or larger than 20 members.

Conventional nonprofit wisdom dictates that all of these statements are true.
The more strategic answer is: it depends.

A 'one size fits all' approach to roles, responsibilities and board structures no longer works. It can actually be dangerous to the board and by extension the nonprofit. Every organization has a lifecycle that includes:

- Infancy (start-up or start-over)
- Juvenile (growth)
- Adolescence (growth and decline spurts)
- Maturity (established)

The potential for successful outcomes -- for innovative programming, partnerships, mergers and other endeavors -- are fostered by board and staff members who collectively recognize what phase the organization is in, and adjust accordingly.In my work I often help boards identify where they are in this lifecycle and what the organization's needs are. By working from within the specific context of the organization, we're able to effectively and efficiently define the board's collective role, build a board structure and address specific needs within the composition of the board.

In its infancy stage a board, often comprised of the founders, thinks about and performs the work of the organization. Members tend to be service providers (volunteers) first, second and always. Usually there is little planning, since needs are obvious. Boards make policies and often do fundraising on a grassroots level. Evaluation focuses on the present and near-term future.

In its juvenile stage, an organization acquires more staff to do support work, but the board members still focus on operations. During this stage the board may begin to see a need for more formal systems and oversight, but often is reluctant to make large changes, particularly if the organization is experiencing program successes.

Later, in adolescence, staffs provide service and support while the board struggles with a variety of roles. These include providing services, addressing governance issues, fundraising, financial oversight or simply staying out of management's way. Staff tends to be the driving force during this period.

Finally, in the mature stage of a healthy organization staff and board have formally established their roles and responsibilities; hold each other accountable for their respectively agreed upon roles and do what is necessary to meet the needs of the organization.

While all these board roles may be developmentally appropriate, board effectiveness at each stage depends upon the documentation, policies and experience available within (and to) the board.

Unfortunately in the early stages, when the organization is suffering its greatest uncertainties, board members likewise have the least experience and fewest historical resources to draw on. Struggles in the adolescent stage often lead to loss of dedicated and capable board and staff. Episodes of chaos, confusion, absenteeism, extremism and poor productivity are common. In the mature stage, the unexpected or unplanned can be devastating, and can more often catch a governing board by complete surprise.

Understanding the inherent behaviors that occur during various developmental stages is key to defining a board's roles, responsibilities and structures to best match the organization's needs.

INFANCY

Case Study: The Survivors

The Survivors was established as a tax-exempt organization four years after its founders worked together in a support group for survivors of abuse. The board usually met in a member's home; often 5-6 members of the 7 member board attended meetings. There were few expenses. New members learned of the group through current members or therapists who work with abuse victims. The unofficial mission of the organization was to support victims of abuse.

Some of the attendees began to talk about how the group could do more: "If the public knew more about abuse, fewer people might have our experience and those who did would know where to go for help." They thought the legal system needed changing too. At that point the group decided to adopt the following:

Our mission is to reduce abuse and support and advocate for victims of abuse in our community.

The president, one of the longest standing members, used her home address and phone number as the headquarters for the organization. As it grew, additional expenses started to accrue, including a phone line, dedicated computer, and other basic office supplies. Responding to emails, filing reports with the IRS and reaching out to potential members became burdensome for one person. The president recruited

more volunteers to help and organized two fund raising events that were moderately successful.

The vice president was responsible for trying to get money from foundations and the government so they could hire a part-time support staff person. The vice president had no prior grant writing experience and his first five grant proposals were rejected. He learned how to improve their chances for future funding from talking to some of the funders, and he attended a grant writing workshop.

The treasurer kept the financial books by hand and prepared the financial report for review at board meetings, which were twice a month after every support group session. The secretary took meeting notes, helped with correspondence and handled the occasional media call, though she had no prior experience with the press.

Is the Board of The Survivors Off Base?

We would have to give an "F" to the Survivors Board if we compare it with the standards set by organizations like Board Source (formerly the National Center for Nonprofit Boards.) The biggest failings:

- The board is too small
- The organization is utterly dependent on a small number of individuals
- The board is involved daily in the operations of the organization
- There is no long range planning or policy development
- They aren't meeting the fundraising goals they set

But if you were to ask the individual board members and the people they serve, The Survivors is a successful organization that fulfills its mission. A 9-member board will probably be sufficient for the organization, but since it is a small board that works closely together on a very regular basis, it will be more important for them to take the time to find the right people instead of worrying about filling seats.

All-volunteer organizations often depend on the board for daily operations. While they hope to hire a part-time staff person and are actively recruiting new volunteers, board members will continue to function as unpaid staff for the time-being. When the organization changes and grows, the board's roles and responsibilities will also change.

The Survivors board is in what can be referred to as the "infancy" stage of a nonprofit board's development and it shares a great deal in common with a new small business or start-up. Expecting an organization like The Survivors to operate in the same way as The Red Cross would be like a new small business to have the same corporate structure as a Fortune 100 company.

Unlike the classic and prescribed stage of maturity, a board in the infancy stage must see to the daily needs of the organization. Board members may both be the customers and be the provider. And board members don't have time for long range planning or policy development (yet.) They may not even have the skills for this type of work. But they are dedicated to mission and will do what it takes to ensure success.

What Next?

One practical activity to help address the current stress on members would be to plan a one or two day retreat to try to discuss the next year or two. A retreat will provide a "time out" for every member to take a real look beyond decisions like who is going to return calls the next day.

While boards in their infancy stage frequently use committees to get tasks done, it is unusual to have a committee to take care of the board. In mature organizations, there might be a nominating committee or executive committee that has this charge. But in its infancy stage operations are so demanding that little attention is given to the welfare of individual board members and the board as a whole. The secretary might ensure that the by-laws are current and match the way the board actually functions.

As another way for taking care of the board during its infancy stage, meetings might be scheduled to address operations separately from board management. Perhaps once every six weeks to ten weeks the board could meet just to talk about longer range planning, policy development and the board's needs. This meeting is a more effective and efficient way of handling the responsibilities of a nominating committee.

What works for more mature organizations doesn't usually work for nonprofits that are starting out or starting over. It's critical to identify creative solutions that address and reflect immediate needs and also offer prospects for the future. Without this balance the infancy stage never ends and it often burns out resources, namely the key people who keep the organization going.

THE JUVENILE STAGE

The best one-word descriptor for this stage is growth. The board is clear that they must do a great deal of what must be done. Collectively the group recognizes that it's time to start delegating. The board's primary focus is still on operations, but a transition from operations to governance begins in this phase of the lifecycle.

The juvenile stage of board development usually gets little attention in academic readings. This is because the stage is relatively uneventful and usually only moderately stressful, particularly compared to the infancy and adolescent stages. Survival of the infancy stage provides breathing space and a window of opportunity for all to recognize the yet unaddressed, long-range, core needs of the organization. The following case study best illustrates life in the juvenile stage.

Walter Street Borough

Three years ago, Natale had a dream that her rundown twenty-block neighborhood could becomea clean, safe community. She saw neighbors coming home from work to their rented apartments and locking themselves in for the night. People shared hallways, walkways and stairs on a daily basis but didn't know each other. Properties weren't maintained. Litter and graffiti were common around the

buildings and on the streets. Sidewalks weren't repaired; the few green areas weren't landscaped regularly. Most of the landlords didn't live in the area, and didn't seem very responsive to complaints. The neighborhood had slowly deteriorated over the years; property values decreased and the vacancy rate was on the rise.

Natale knew something had to be done. She invited her neighbors over to discuss her concerns. Only five or six people attended the first few meetings held over several months. Most of the landlords didn't even return her calls. Then an elderly person living alone passed away. It was a week before anyone noticed. That sad event galvanized the neighbors. They organized as the Walter Street Borough, incorporated, and created a nonprofit organization. Their mission: *create a safe, welcoming and prosperous community.*

The first couple of years following incorporation were rewarding. With some coordinated pressure on the City and on several landlords, new streetlights and several garbage and recycling containers were installed along the sidewalks. Police calls for the area went down. Attendance at meetings and other community events increased. But there were also challenges. As an all-volunteer organization, Natale and the other six board members did almost everything. They organized meetings, sought financial support, printed flyers and knocked on doors.   They soon recognized that the seven of them could not continue indefinitely without help.

Most of the board members agreed they needed someone to take care of the day-to-day operations to save the board from burn-out. It was decided to raise funds specifically to hire a paid coordinator. Their efforts paid off when, in spite of some board members' doubts, the city awarded them $15,000 from a Community Development Block Grant. With a part-time coordinator and a small donated office space, they became a more permanent fixture in the community. A few of the board members felt the organization was trying to do too much too soon, and thought that the money would be better spent on something other than a staff person. Others were feeling the need to step back and wanted to increase the size of the board so more people in the community could share in the responsibilities.

When the new staff member was brought on, the board had a lot of discussion about what their role would now be. Some members really liked doing the day-to-day work and were worried they would not have much to do if they stayed on the board. The staff and chair assured everyone there was plenty of work to be done. Just the same, some folks left the board saying their work was done and they should make room on the board for someone who would know more.

Threats and Opportunities at the Juvenile Stage

With growth comes growing pains. As the board takes time out to look beyond the organization's day-to-day needs, differences will emerge among board members about their visions for the future. Some people are more comfortable with change than others; and as people start to burn-out they may feel an urgency to grow the organization quickly before it runs out of steam, or they might not be as reliable and enthusiastic as they once were.

In the board's juvenile stage, board members need to still be active in doing the work of the

organization. Each member's role expands and overlaps between serving on the board and as a volunteer. Unless there are extraordinary resources available, the board's continued involvement in some of the day-to-day operations is critical to the survival of the organization. (Some organizations may have enough resources to get through this stage quickly and proceed to adolescence.)

At this pointseveral founding board members often leave. The result is an opportunity for the whole board to think of their needs and to consider increasing the number of board members. This is an ideal time to be intentional about selecting board members. Some boards in this stage may set up a nominating committee to recruit new members. Too often the only criterion considered is the ability to raise money. The most resilient boards at any stage of development are comprised of people with varying talents, skills and backgrounds.

The juvenile stage presents a good opportunity for the board to formally create and adopt organizational policies. This process naturally includes some form of evaluation, and marks the transition from an operations-focused board to a board that turns more to governance. Whether it happens now or later, it is essential to the long-term viability of an organization, particularly as they set out to raise funds from within and outside the community they serve.

The board sets up committees that think about the operations, does some operational activity, and thinks about the future. In this stage, the de-facto executive committee, the officers, may get official power to act when there is a problem.

Surviving the Juvenile Stage: Some Thoughts to Keep in Mind

- Accept that the first time hiring of staff does not make all the work go away. The first staff person is not a panacea for addressing all the demands of the infancy stage. The board must stay clear about their needs and hire staff to match the needs they themselves cannot or will not continue to address.

- It's not uncommon for the board to hire one of the founders as the first staff person.As long as the board formalizes the relationship and everyone clearly understands the change in roles and responsibilities, this can work.

- Work within the limits of staff and board. Taking on too much is a habit easily acquired in the infancy stage but equally devastating in the long term. Good people will be lost and it will be harder to recruit new people.

- Hiring a staff ushers in an opportunity for looking at what the long range future might look like for the organization. Start articulating that vision in a working document.

- Board members are at a high-risk of burnout during this stage. Balance work with "play" and celebrate success.

- Recruit individuals who are passionate about the organization's work and are willing to roll up their

sleeves. Folks who have volunteered or are current clients are good prospects. Board members may be tired. Orient new recruits to this fact and be sure to share the history of the board to date.

- Don't try to make too many committees, particularly operational committees. But do consider developing a strong nominating committee that has some responsibility for keeping the rest of the board in good spirits.

- Begin to balance the young board's need to stay involved in tasks of providing services or fulfilling other operational needs, with a growing focus on the tasks of governance (such as policy, planning and evaluation).

- Focus, focus, focus. The squeaky wheels of immediate day-to-day operational needs will continue to get attention from your young board, but make time to discuss the organization's future.

ADOLESCENCE AND MATURITY

You read the books and internet sources on board development. You've implemented policies and you have a stable board with committed members. So why doesn't your board work just like the "best" board model the literature describes?

Most articles and books written on the subject describe a generic board. But as a board progresses from one stage of development to another, its needs change, as does its role within the organization. During the adolescent stage a board must come to terms with the fact that operational involvement is not the best place for its skills, knowledge, and expertise ….. or is it?

Adolescence is marked by an ebb and flow of growth and decline. New programs and projects are developed; some expand, while others are dropped. Sometimes a beloved program – even the original program around which the organization was formed – needs to be reevaluated or even abandoned, depending on the community's needs and the organization's ability to provide a particular service. Sometimes a key staff member – the one person everyone believes the organization can't survive without – must be replaced for one reason or another.

The goal at this phase will be to stabilize the organization, revisit the mission, and create or modify the strategic plan. At the end of this phase is a governing board, but during this phase board members do sometimes need to step in and deal with operational issues from time to time, particularly if there is significant staff turnover.

While it may work for the short-term, a board member who is best suited to 'hands on' activities of the organization might be happier as a volunteer than as a board member in the long run. And as the organization nears the end of its adolescent phase this is the best time to identify these people and find other ways for them to be involved, since serving on the board of an organization in the mature phase will likely not be the best match for that individual (or for the organization.)

As an organization grows from an all-volunteer to a growing paid staff, the board is generally relieved of those mundane responsibilities and must redefine its role. This is a phase of change, sometimes even tension, and there are often internal struggles between board members and management staff as the hard task of defining job descriptions and goals is carried out. Yet this is the very process that gives renewed meaning to the board's role. Despite the continued growing pains, adolescence is a time of learning for both board and staff.

Frequently, as a means of clarifying the board's new role, its leaders continue the work of developing formal policies and procedures that was started in the juvenile phase. As the organization continues on this path, it's common for longtime board members and first staff members to depart, sometimes in direct response to the formalization of these roles, responsibilities, policies and procedures.

These changes, however challenging, can be very constructive. They often breathe new life and fresh energy into the organization. Through the acquisition of new and expanded staff, organizational structures can grow and change more easily. The organization becomes more nimble and can seize opportunities to provide better or more efficient programs and services.

Ultimately, this self-discovery process leads to the final developmental stage – "maturity". Board members have finally resolved what role they (individually and collectively) will play to fulfill their fiduciary responsibilities. The documentation that marks the end of adolescence is extremely helpful because it clearly defines the types of activities staff and board should engage in, thereby reducing the sort of conflicts that arise when people aren't clear about expectations.

In the mature stage, a board may choose to have one or two operationally focused committees, but governance committees – such as finance, nominating, and strategic planning committees – are more characteristic. These committees do the fiduciary work of the board: policy-making and strategic planning. Not surprisingly, boards of this composition tend to attract much different types of people than do less mature boards. Members of less mature boards tend to be entrepreneurial and risk-takers. Members of mature boards tend to be more reserved in their actions.

Although maturity is the final stage of a board's development, this does not mean the board is static. Change is inevitable: chairs and executives retire, major funding sources change and competition alters an organization's customer base. Internal and external forces often place new demands on the board or its systems – demands that could conceivably move the board into a previous phase. Ideally, the board and staff respond proactively to these external and internal forces by revisiting a previous phase, so the cycle of growth can begin again. If an organization ignores these external and internal demands, the chances for continued success decrease. When this continues, the organization is often compelled into a rebuilding phase or dissolution.

At any stage, board development can be an intimidating and time-consuming process, particularly if the organization is trying to fit itself into an outdated one-size-fits-all model. The steps outlined below need to be adjusted, depending on an organization's current phase. Using these four steps, a board (and if applicable, staff) can work with a consultant to assess where the organization is and what the next steps are:

1) **Take stock.** There are checklists that can help an organization and board identify the stage and what needs to be done to move on. This process should include a list of tangible assets ($ in the bank, office equipment, names and addresses of 50 volunteers) and intangible assets (good reputation, support from local community leaders, board members who are known in the community, etc.)

2) **Assess external circumstances.** What are the local, regional and national external elements that influence the organization's growth? This might include the community's needs, political climate, the economy, competition, demand for services, etc.

3) **Identify internal needs and activities.** In this step, board members and staff list their activities, the percentage of time they spend on each activity, and in some cases rank them.

4) **Fill in the gaps.** At this point, the group is ready to identify options that will ensure the organization's needs are being met. The mission is compared to programs and projects. Policies (if they've been developed) are compared to existing paperwork. The daily books are compared to budgets, operating statements, and what's been submitted to funders.

5) **Reach out and take action.** With the information gathered, it's clear where the organization is, and what it needs to move forward, backward, or to stabilize. (Oftentimes board members and staff find this phase exciting and energizing, because the choices are easier to see and understand.) The board can design a structure and role that matches and accommodates the organizations needs, characteristics and stage of development. Now is the time to leverage existing resources, and reach out to new prospective stakeholders.

This process and its results will enhance your board's commitment to what brought you to the table in the first place: your commitment to the mission and the important work of the organization.

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