

Life Stages Diagnostic Worksheet: Capacity Element Assessment of Program

	Stage	Characteristics of This Capacity Stage	We Are Here:
1	Idea	<ul style="list-style-type: none"> • Programs are not yet defined; we feel the intense mandate to address this societal gap. 	
2	Start-Up	<ul style="list-style-type: none"> • 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 & protocols 	
3	Growth	<ul style="list-style-type: none"> • Organization begins to understand and define the distinctive methods and approach that separates its programming from others • Organization begins to find right service mix, focusing on developing specific niche to specific clientele • Services begin to be less person-dependent and more positional 	
4	Maturity	<ul style="list-style-type: none"> • Programs are established and recognized in market • Programs are well organized, results-focused, and in touch with community needs (and added or deleted as market requires) • Organization balances favorite programs and methods against community relevance • Agency resists urge to play it safe and knows how to keep its spark alive through continual program renewal 	
5	Decline	<ul style="list-style-type: none"> • 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, perhaps less expensive • Organization loses connectedness to market; programs are developed primarily to attract funding • Difficulty in delivering services and reaching goals • Client feedback mechanisms do not exist and customer service processes may be cumbersome 	
6	Turnaround	<ul style="list-style-type: none"> • 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 	
7	Terminal	<ul style="list-style-type: none"> • Programs are unreliable, unsteady, and seriously underfunded • Loss of credibility with funders and clients 	

Life Stages Diagnostic Worksheet: Capacity Element Assessment of Management

	Stage	Characteristics of This Capacity Stage	We Are Here:
1	Idea	<ul style="list-style-type: none"> • Originators are believable, action-oriented people with commitment to proposed purpose (often, founder's vision drives group) 	
2	Start-Up	<ul style="list-style-type: none"> • Leader is a "spark-plug" and the group's most experienced staff person • Sense of family and cooperation among staff • Frequent informal communication, little or no decision hierarchy • 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 	
3	Growth	<ul style="list-style-type: none"> • Organization is led by people who see infinite potential for services • Staff battle against lack of time and a general sense of urgency' there's always something more to be done • Staff are exhausted and tired of continual change • First intro of staff specialists who require competitive compensation; beginning of strategic division of labor • Deepening org chart with more centralized management • Founder (if present) may show ambivalence about changes necessitated by growth 	
4	Maturity	<ul style="list-style-type: none"> • Executive leadership is often second or third generation from the originators (employing professional managers) • Management is perceived as leader among industry peers • Delegated authority; staff is seasoned and able to handle delegated functions • Formal communications system is in place • ED inspires confidence in staff, board and community 	
5	Decline	<ul style="list-style-type: none"> • Management is complacent and committed to status quo • Organizational slippage 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 • Departure of key staff; may be internal fighting and back-stabbing 	
6	Turn-around	<ul style="list-style-type: none"> • Turnaround leader is a gutsy, strong-willed person with a clear sense of direction and the ability to inspire confidence in others • Manger is decisive, above to size up problems, and mobilize resources effectively • Management has gained staff buy-in and no longer makes community promises it can't keep 	
7	Terminal	<ul style="list-style-type: none"> • Staff and management have dwindled to only a few and may possibly be working without pay 	

Life Stages Diagnostic Worksheet: Capacity Element Assessment of Governance

	Stage	Characteristics of This Capacity Stage	We Are Here:
1	Idea	<ul style="list-style-type: none"> No board exists at this stage, only supporters with a personal connection to mission 	
2	Start-Up	<ul style="list-style-type: none"> Members almost always have a personal connection to mission or founder High respect for charisma, self-sacrifice and sweat equity of the founder can cause members to defer decisions that are the board's to founder or staff Board is homogeneous and loosely formed; operates as committee of the whole; members generally do not view themselves in a governance role 	
3	Growth	<ul style="list-style-type: none"> Board moves beyond friends with personal affiliations and recruits outside professionals who bring increased expertise and expectations for performance Board members are able to assess risk and make informed decisions expeditiously as opportunities arise More focus on planning and oversight, less on operations Board structure begins to appear 	
4	Maturity	<ul style="list-style-type: none"> Board sets direction, is policy-oriented and leaves management to the executive director Boards plays a leadership role and has the competence to keep nonprofit focused and vital Board is organized for maximal effectiveness and has a structure for continuity of leadership and culture; often ahs stronger and more effective committees 	
5	Decline	<ul style="list-style-type: none"> Board is unaware that 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/participation Board may operate with a strategic plan but it is focused on "what we want to do" rather than community need A new member is generally the "whistle-blower" who calls the status quo into question and, if willing, puts the turnaround process in motion Key members may leave 	
6	Turnaround	<ul style="list-style-type: none"> 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 	
7	Terminal	<ul style="list-style-type: none"> Board has lost its collective drive to continue and may exist in name only 	

*Adapted from Nonprofit Lifecycles, Susan Kenny Stevens (2001)
The Midwest Center for Nonprofit Leadership at the University of Missouri – Kansas City*

Life Stages Diagnostic Worksheet: Capacity Element Assessment of Financial Resources

	Stage	Characteristics of This Capacity Stage	We Are Here:
1	Idea	<ul style="list-style-type: none"> Sweat equity is the usual self-funding device, unless originators have deep pockets or an outside “angel” to back the project 	
2	Start-Up	<ul style="list-style-type: none"> 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 	
3	Growth	<ul style="list-style-type: none"> Organization usually undercapitalized; funding resources often still insecure Cash flow problems are common More sources of income create greater accounting and compliance complexities Beginning movement from income-only focus toward concern about balance sheet and asset issues; cost considerations become more important More sophisticated financial tracking systems are required 	
4	Maturity	<ul style="list-style-type: none"> Organization has multiple reliable funding streams and sources of income; is not dependent on one source of funding Accurate financial forecasts are made and deficits generally avoided Organization has cash reserves and sufficient financial flexibility to at least partly self-fund new initiatives 	
5	Decline	<ul style="list-style-type: none"> There is loss of financial support Organization is averse to cutting expenses even though declining client activity results in decreased revenues and grant support; may be falling behind on financial obligations If asset-rich, the agency looks to the balance sheet’s prior earnings to cover expenses Fixed assets may be inflexible to changing program needs, and contribute to program decline Budgets are fixed-cost and expense heavy, with income projections reflecting past practice rather than current reality 	
6	Turnaround	<ul style="list-style-type: none"> Financial crisis is the usual trigger point, which by the time it is addressed, leaves the organization short of or out of cash Willingness to cut expenses to reflect realistic income and cash flow 	
7	Terminal	<ul style="list-style-type: none"> The organization most likely is out of money and may have accumulated deficits Creditor calls are persistent and insistent; bankruptcy is a distinct possibility Funders have stopped multiple-year grants 	

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Life Stages Diagnostic Worksheet: Capacity Element Assessment of Administrative Systems

	Stage	Characteristics of This Capacity Stage	We Are Here:
1	Idea	<ul style="list-style-type: none"> No organizational systems, although in-kind services, equipment, and other goods may be in use 	
2	Start-Up	<ul style="list-style-type: none"> Financial and administrative functions and systems are informal, generally weak, and may be outsourced to others Few operational routines or systems in place 	
3	Growth	<ul style="list-style-type: none"> Current systems are unsophisticated and may be rather unstable These system, not very good to begin with, must now be substantially improved to meet demands of continual program expansion and rising compliance expectations 	
4	Maturity	<ul style="list-style-type: none"> Administrative systems are at or near level of sophistication required for competent management and decision making Organization operates from an outlined course of action (usually formal plans, policies and procedures) for routine client, board and personnel matters. Systems are standardized and relatively efficient Regular communication mechanisms exist within the agency and with outside publics 	
5	Decline	<ul style="list-style-type: none"> Well-developed systems become bogged down in “red tape” Operations planning is rather irrelevant and out of touch Systems, although developed, are often antiquated, and physical facilities and equipment may be deteriorating Move from systematic to crisis management 	
6	Turnaround	<ul style="list-style-type: none"> Existing policies and procedures may be too complex, expensive, and mature for the turnaround organization 	
7	Terminal	<ul style="list-style-type: none"> Systems have been abandoned; there are poor or nonexistent internal controls Organizational decisions and general workflow happen on an ad-hoc basis 	