

Nonprofit Life Cycles Overview

Stage	Key Question	Duration	Obstacles	Opportunities
Grass Roots - Invention	Is the dream feasible?	0 – 5 years	<ul style="list-style-type: none"> • Resistance to forming • Lack of funding/expertise • No outside support 	<ul style="list-style-type: none"> • Creativity • Energy for the dream • Excitement to join
Start-Up - Incubation	How do we get this started?	1 – 2 years	<ul style="list-style-type: none"> • Fear of formalizing • Sustaining initial enthusiasm • Focusing the founder and energy 	<ul style="list-style-type: none"> • Excitement of funders • Charismatic leader • People wanting to belong
Adolescent – Growing	How can we build this to be viable?	2 – 5 years	<ul style="list-style-type: none"> • Absence of systems & accountability • Overwhelmed with change • Change may alienate funders, clients, staff and board • Danger of becoming isolated in the system 	<ul style="list-style-type: none"> • Sense of accomplishment • New faces, ‘arms and legs’ • Diversification in all areas of the organization • Rejuvenation for the founders
Mature - Sustainability	How can we ensure sustainability?	7 – 30 years	<ul style="list-style-type: none"> • Lack of or too much control • Lack of risk taking • Board & staff too operational • Unable to transition in to a governance board • Conflict between old and new 	<ul style="list-style-type: none"> • Feeling secure • Adequate resources • New staff/board – fresh ideas • Ability to try something new
Stagnation & Renewal	How, if any, can we renew?	2 – 5 years	<ul style="list-style-type: none"> • Resistance to change • Inability to address key challenges • Declining excitement • Isolation of the agency 	<ul style="list-style-type: none"> • Wisdom from past • Strategic Partnership opportunities • Chance to take risks again and think ‘out-of-the-box’
Decline And Shut-Down	Should we close?	1 – 2 years	<ul style="list-style-type: none"> • Financial crises • Inappropriate leadership • Loss of staff and volunteers • Lack of any passion 	<ul style="list-style-type: none"> • Commitment to complete turnaround • Graceful ‘sunset’ or merger