

Axelson Review

FOR NONPROFIT PROFESSIONALS
AND VOLUNTEERS

CONNECTING LEADERS. TRANSFORMING COMMUNITIES. SPRING 2012

Remaining true to your vision through changing times

Behind each nonprofit stands a visionary, a founder inspired to create fundamental change in his or her community. That founder's dream—along with plenty of blood, sweat, and tears—inspires the organization's mission and programs...and hopefully supports its growth.



As organizations move through their respective lifecycles, with periods of growth and stabilization, the need to address day-to-day realities often distracts from the big picture. Some disruptions may be internal, such as the need to motivate staff or develop board members; others may be external, like funding cuts or demographic changes. But when we focus on overcoming challenges at the micro level, we can lose the ability to develop overall strategies that result in transformational community change. In other words: We lose sight of the forest for the trees.

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The Axelson Interview

Going green without breaking the bank

It's unanimous: Environmentally responsible behavior isn't a lifestyle choice; it's a necessity of life. But it can seem a daunting mandate, especially for organizations operating on tight budgets. Below, three leaders in the field offer cost-effective tips—both big and small—for going green. Join them for a dynamic panel discussion titled At the Edge of Innovation: Nonprofits that Are Advancing the Green Economy, which will take place at the annual Symposium on June 5, 2012.

Elise Zelechowski

Managing Director, Innovation Ventures, Delta Institute

- Explore sharing networks like those at www.ohsowe.com. You can build networks among friends, neighbors, or co-workers and share anything from drills to skis to cars. You'll reduce your purchasing costs as well as the energy required to meet consumer demand.
- Take the Green Office Challenge to discover new ways to reduce waste—and to track your progress toward an improved environmental score. Go to greenofficechallenge.org for more information.
- Next time you need building or construction supplies, check out the ReBuilding Exchange (a Delta enterprise). This retail warehouse offers steeply discounted prices for reclaimed materials saved from the landfill.



Paul Matthews

Assistant Vice President for Planning and Operations, Roosevelt University

- Improve interior air quality by switching to organic compound paints, glues, mastics stains, and green cleaning products. They now cost about the same as their traditional counterparts.
- Remember that utility companies often offer incentives to go green. ComEd's Smart Ideas program subsidizes light bulb retrofits, motor replacements, motion sensors, and even building systems audits; Nicor provides rebates for boiler tune-ups



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**THE AXELSON CENTER
FOR NONPROFIT MANAGEMENT**
at North Park University in Chicago

Stepping down: A founder's perspective



Amy Wishnick is president of Wishnick & Associates, LLC, a consulting firm that focuses on enhancing organizational effectiveness. The past president of the Association of Consultants

to Nonprofits, Amy is a member of the Axelson Center faculty and serves on the Alford-Axelson Award review committee. This article is part of a series that explores succession planning strategies and challenges. For a copy of the previous interview with Mary Morten on this topic, email axelson@northpark.edu.

Retirement can represent a significant emotional hurdle for nonprofit founders. Entrusting all you've worked for—your vision, your passion—to a new caretaker is understandably difficult. But taking this step is often vital to the organization's continued well-being and growth. Below I've outlined a few tips that can help foster a smooth transition.

- Open the succession planning conversation with your board. By taking the lead, you'll set a positive tone that can help ensure that everyone takes the time to understand what qualities and skills the organization needs to look for in its new leader.
- Coordinate with the board about when and how to share information with staff,

funders, community partners, and others. Being transparent with stakeholders bodes well for continuing strong relationships that benefit the organization.

- Collaborate with the board to identify a departure date that will work well for you and for the organization as a whole. This will enable the board to plan a reasonable transition. This is also the time for the board to consider whether an interim ED makes sense while they launch the search for a new ED.
- Ensure that roles and processes are clear and documented. As part of your lasting legacy, strive to leave the organization in order. Ensure that staffers understand the distinction between the ED's role (management) and the board's role (governance) and that hiring a new executive leader is a significant board responsibility.
- Work with your board to determine how you can best serve the organization during the transition to new leadership. What is a well-balanced approach for you to both support the new ED as well as let him/her have enough space to learn the nuances of his/her new job?
- On a related note, confer with the board president about the role you'd like to play (if any) with the organization after retiring. Discuss what is in the organization's best interest—for you to

join the board or another advisory group right away, or to wait until the new executive director has had time to settle into his/her new role.

You know your organization better than anyone—so you're in the best position to help set it up for success as it enters a new stage of growth. Transitions are about change, and change is difficult. With thought and preparation, everyone involved—founder, board, staff—can manage this gracefully and with the organization's best interests in mind.

Finally, consider consulting the following publications for more information about this important transition stage.

- *Navigating the Organizational Life Cycle: A Capacity-Building Guide for Nonprofit Leaders*, by Paul M. Connolly
- *Chief Executive Transitions: How to Hire and Support a Nonprofit CEO*, by Don Tebbe
- *Moving Beyond Founder's Syndrome to Nonprofit Success*, by Thomas A. McLaughlin and Addie Nelson Backlund (Note: Chapter 5 is particularly relevant)
- *Performance Evaluations for Executive Directors of Nonprofits*, by Amy Wishnick (white paper available at <http://tinyurl.com/whitepaper-nonprofitEDeval>) ■

Remaining true to your vision *(continued from page 1)*

The most successful nonprofits keep their vision top-of-mind, periodically adapting and reinventing themselves to meet the needs of a changing world. By employing strategies that encourage innovation and bold leadership, they find ways to achieve their mission in new environments.

To assist your organization with these efforts, we included a free assessment tool on page 3 of this newsletter. It will help you determine your nonprofit's location on the organizational lifecycle. You'll then be better prepared to develop strategies that "fit."

The 13th annual Symposium will also help in providing many case studies, strategies, and practical tips to help your organization overcome struggles, consider innovative solutions, and reignite your ever-important vision. We look forward to seeing you there. ■

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Where are you on the organizational lifecycle?

Take this quick quiz to find out.

The organizational lifecycle suggests that, over the course of time, nonprofits move through a fairly predictable sequence of developmental stages. Knowing your position on the lifecycle will help you determine the opportunities and threats that are unique to your organization's stage. The following quiz is adapted from *Smart Growth: A Life-Stage Model for Social Change Philanthropy* (© 2002 Women's Funding Network).

Question 1: Which of the following best describes the structure of your board/steering committee?

1. The ideas and vision generally come from one or two prime mover(s) / founder(s).
2. Small, homogeneous, and the individual members are intensely committed.
3. Growing, and non-founders have joined.
4. Has minimal involvement in daily operations and is focused on organizational direction and policy.
5. Institutionalized, focused on direction, and clear on the mission and goals of the organization.
6. Enjoying a renewed level of commitment from current members, and new members are joining.

Question 2: Which of the following best describes your organization's staff?

1. What staff?
2. Board members and designated staff leader assume much of the workload.
3. We have a designated staff leader and a few paid staff members.
4. Our staff is growing and taking on more specific functions, such as fundraising, program management, etc.
5. Our staff structure is solid, complex, and specialized.
6. Staff is highly independent and is reaching its peak—some change and/or new ideas would probably benefit us.

Question 3: Which of the following statements best describes how the staff is generally managed?

1. There is not yet any staff to manage.
2. The staff, if any, is generally managed by one visionary decision maker.
3. Communication with the staff is generally informal, but we are starting to put more formal systems in place for management purposes.
4. Responsibilities are delegated to staff and management checks in regularly with process suggestions.
5. Staff is highly independent and only broadly overseen by management and/or the board.
6. Management/board focuses very little on control. Instead, they focus their energy on motivation of the staff and the organization.

Question 4: Which of the following best describes your organization's funding situation?

1. No funding yet, but the founders potentially have some money to donate.
2. We have some limited start-up funding.
3. We've had a few fundraising events and are just beginning to plan a multi-faceted fundraising strategy.
4. Our funding is stable, but we need new resources in order to expand.
5. We have a funding program and a wide range of fundraising resources.
6. Our organization has a solid funding base, but we are now closely examining our funding sources and have located new sources for the future.

Question 5: If an IRS agent called and asked you to describe your organization's systems, which of these would best match your response?

1. I'd politely hang up. There's nothing to describe.
2. "We don't have much in the way of formal systems. Does a home office count?"
3. "We've rented office space and hired administrative staff, and if you have any suggestions regarding how to implement systems, we'd love some advice!"
4. "We have some developed policies and procedures, and are doing our best to ensure our systems are supporting our growing staff."
5. "We rely heavily on our systems. They support our differentiated staff well and include formal accounting, donor tracking, communication, and grant review procedures."
6. "Call me back in a few months or keep checking our website. We are currently re-evaluating all of our systems so that they can be modified to better serve our staff and share information."

Question 6: Your organization has hired a marketing consultant. What is the next task you want her/him to complete and why?

1. Put marketing on the radar screen for us. We haven't even considered it before.
2. Begin to formalize our marketing process. Up to this point, we have generally relied on word of mouth.
3. Help us disseminate our brand into the market. We already have a website and brochures, but still heavily rely on word of mouth.
4. Execute our marketing plan. We have a professional image, and have a developed marketing plan. Now we need to implement it!
5. Help us continue to implement our marketing plan, continuing to differentiate audiences and increase our visibility in the community.
6. Nothing yet. Our new marketing plan is on hold while we evaluate our established marketing plan and decide upon an updated strategic direction.

Question 7: Which of these statements best describes the planning processes for your organization?

1. It is very informal. We are brainstorming ideas at this point.
2. It is informal, and generally based on the consensus of a small group of leaders.
3. It is somewhat informal, but we are formalizing our strategy to make sure we are true to our mission.
4. Our work is becoming more complex and we are beginning to initiate a long-range planning process.
5. It is long-range and is updated regularly with input from multiple stakeholders.
6. Both long- and short-term plans have solidly been in place for some time and are now being reevaluated to ensure the organization is on the right track.

Question 8: Which statement best describes the general program/service delivery status of your organization?

1. We have not initiated any programs yet.
2. We are developing a program start-up process, and are determining if we have the resources to initiate our first program.
3. Our first programs have been started, and we are beginning to assess these programs.
4. Programs have been started, and now we are expanding our assessment process to include site visits and more systemic evaluation or review processes.
5. Programs have been started, and some are supported by technical assistance and/or other partnerships.
6. The organization has started many programs, has a diverse portfolio of programmatic approaches, and can easily adapt these approaches depending on the circumstances.

Question 9: Which of the following best describes the status of criteria used to select and develop your programs/services?

1. We have not yet established any solid criteria.
2. Our criteria have very basic guidelines.
3. Our criteria have been honed and expanded.
4. Our criteria have recently been solidified and/or clarified and match our mission and vision.
5. Our criteria have been well established for quite some time and clearly connect our strategies to impact.
6. Our criteria have been well established for quite some time, and we are now re-evaluating them to ensure they fit properly in the "big picture" of our organization.

Question 10: Which of the following best describes your organization's program(s)?

1. Our programs are not yet active.
2. One core program exists.
3. One core program exists, and is being refined to align with our current resources.

Where are you on the organizational life cycle? *(continued from page 3)*

- Well-designed core programs are secure, and new programs are being tried.
- Well-designed core programs are secure, and the organization is adding products in addition to core programs (i.e., research and tools that are marketed and sold).
- Long-standing core programs exist, and some have even been closed; long-standing products exist and new products are being explored.

Question 11: How does your organization measure social change impact?

- We do not yet measure this, but our founders have strong and far-reaching ideas about the type of social change they want to make.
- We have not measured this, but we understand what our long-term social impact can be.
- Our social values are made explicit to our stakeholders, and we conduct some evaluation activities related to our impact.
- We track some key indicators to determine our level of social impact.
- We use quantitative and qualitative indicators and formalized evaluation processes to measure the impact of programs on communities, and publish our results.
- We are in the process of evaluating our current evaluation processes, identifying new indicators, and developing additional assessment tools as necessary.

Question 12: What words/phrases best describe your organizational values?

- Not yet explicit.
- Intuitive—we're building fairness and equality into our own organization.
- Becoming explicit, sometimes at odds with efficiency.
- Integrated—our social values are fused into our organizational structure, policies, and procedure.
- Articulated, clear, and explicit.
- Solid in the past, but changing/adapting as times change.

Question 13: Which statement best describes your organization's values around social change?

- The founders strongly express the purpose of the organization, but the values are not articulated "on paper."
- Social change values are strongly believed but are stated in general terms.
- Social change values are becoming more identified, and have recently begun to inform our programs.
- Social change values are pretty well established, and these values are being expanded into the community.
- Values are comfortably established, and continual discussions ensure that the values and the organization continue to be in alignment.
- Values are well established and deeply embedded in the organization. Research

may help us to confirm or renew values as necessary.

Smart Growth: Interpreting the Results

If your answers have the majority of ones, then you are in Stage 1 and so forth. Organizational life stage does not necessarily correlate to the number of years the nonprofit has been in existence. Organizations may be between two different life stages.

Stage 1: Envision and Commit Stage (FORMATION)

If "1" was the most common number you chose, your organization is likely at or near the Envision and Commit Stage. This is generally a pre-organizational stage where people are just starting to pull together ideas about what the organization will be like and what it can do. There is a long road ahead, but this road has infinite potential. Good luck on this journey!

Stage 2: Startup and Launch Stage (FORMATION and/or DEVELOPMENT)

If "2" was the most common number you chose, your organization is likely at or near the Startup and Launch Stage. At this stage, your organization is experiencing a flurry of activity. The board is established, and the organization is formalized and incorporated. A director is probably in place and planning is informal. Initial seed funding is secured. Congratulations on getting your organization going! Now it's time to think about how you will deliver to the community.

Stage 3: Grow and Deliver Stage (DEVELOPMENT and/or MAINTENANCE)

If "3" was the most common number you chose, your organization is likely at or near the Grow and Deliver Stage. At this stage, the organization's activities are centralized and you have your first paid director. The board structure is enlarged and enhanced, and program/service delivery has begun. Administrative staff is hired. Sustainability is probably a central issue for your organization. You can now look forward to figuring out how to ensure your sustainability to secure your organization's future!

Stage 4: Delegate and Evaluate Stage (MAINTENANCE)

If "4" was the most common number value you chose, your organization is likely at or near the Delegate and Evaluate Stage. At this stage, the program staff is increased and work becomes decentralized. Board members are removed from day-to-day activities. Formal policies and procedures emerge. Accountability is very important. Processes are refined within your organization. Your organization's resources are adequate, but your needs are increasing.

Stage 5: Specialize and Control Stage (MAINTENANCE)

If "5" was the most common number value you chose, your organization is likely at or near the Specialize and Control Stage. Your board is more detached from the organization. Staff roles are specialized. The organizational structure of your organization is becoming more complex and there is more need for "control" mechanisms. The great news is that a wide range of resources is in place, and your organization/program is well-positioned in the community.

Stage 6: Renew and Rebuild Stage (ATTAINMENT/SUSTAINABILITY)

If "6" was the most common number value you chose, your organization is likely at or near the Renew and Rebuild Stage. Planning and evaluation are undertaken. The mission and values of the organization are revisited, and new programs and vision are developed. Changes are taking place in board membership and staffing. Work systems are revamped and administrative systems are centralized. You have come a long way as an organization, and teamwork is increasingly important in this time of renewal.

The following resources are available for those who would like assistance interpreting the results:

- Attend the Symposium session on June 5, 2012, *Navigating the Organizational Lifecycle*, Paul Connolly, Senior Partner, TCC Group (Registration information: www.northpark.edu/symposium)
- Participate in a one-on-one free 30-minute phone consultation with Mary Morten, President, Morten Group (Limited to first 50 responses. Email: marym@mortengroup.com)
- Read *Navigating the Organizational Lifecycle: A Capacity Building Guide for Nonprofit Leaders* by Paul Connolly, BoardSource (www.boardsource.org/lifecycles)

About the Axelson Review

The *Axelson Review* is published quarterly by the Axelson Center for Nonprofit Management at North Park University, which serves the educational needs of nonprofit professionals through degrees and certificate programs, on-site trainings, and an annual symposium series that addresses the contemporary issues and challenges confronting nonprofit organizations. For comments or feedback regarding the content of the *Axelson Review*, please email cbeall@northpark.edu or call (773) 244-5747. To subscribe, please email your contact information (name, organization name, address, email) to axelson@northpark.edu. Include in the subject line "Axelson Review Subscription." Please notify us if you would like to be removed from the list, or if you are receiving multiple copies.

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FOR NONPROFIT MANAGEMENT

presents

The 13th Annual Symposium
invites you to step out of your
current constraints and consider a
new arsenal of tools and resources
aimed at creating and fostering a
sustainable, infectious vision.

REIGNITE YOUR VISION



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Symposium and Resource Center (June 5):
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Pre-Conference Innovation Institute (June 4): \$150

Location: Holiday Inn Chicago Mart Plaza

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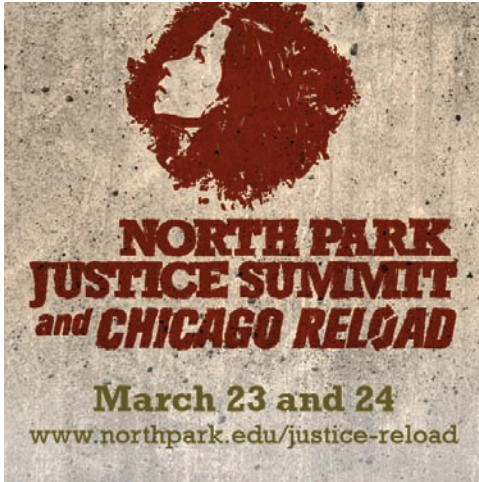
**Robert Egger, President and
Founder, DC Central Kitchen;
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**Aaron Hurst, President
and Founder, Taproot
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Visit www.northpark.edu/symposium or call
(773) 244-5799 for more information.

- Association of Consultants to Nonprofits
- Gallagher Religious & Nonprofit Practice Group
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Lives of Significance and Service
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Going green without breaking the bank *(continued from page 1)*

and earth-friendly kitchen appliance and water heater purchases.

- Reduce your waste collection fees by identifying companies (such as AbiBow Recycling LLC) that will haul your recycling products—and pay you for doing so. If your recycling program isn't yet up to snuff, check out the Illinois Department of Commerce and Economic Opportunity's grants designed to defray the start-up costs of new recycling programs.
- Insist that your grounds maintenance company uses biodiesel to power lawn mowers and other equipment. Consider establishing "no mow" zones on your property, replacing turf with native plant species that require no cutting, no fertilizer, and limited watering. Remember to post a sign highlighting your efforts.

Kathryn Auerbach

Former Director of Development and External Relations, Metro Chicago Information Center (MCIC)

- Make technology work for you by considering the free (and almost free) apps coming to market regularly. Winners of the EPA's Apps for the Environment contest, for instance, include the web application *HootRoot* (hootroot.com), which provides efficient directions and carbon footprint estimates for auto, public transit, flight, and human-powered transportation options on any route. *Lightbulb Finder* (lightbulbfinder.net), a free mobile phone app, helps you identify the energy-saving bulbs that will best meet your lighting requirements,



lower your electricity bills, and minimize your environmental impact.

- Check out the winners of the Apps for Metro Chicago Grand Challenge sponsored by MCIC. *Power Stoplight* (powerstoplight.com) helps you identify the best (read: off-peak) times to operate major appliances, thereby reducing your costs while protecting the environment.
- The Delta Institute's Green Opportunities App Award also recognizes *Recycle City Chicago*, a map-based application that generates driving directions to your closest recycling center, and *Chicago Recycle Helper*, which identifies the closest recycling drop-off center accepting your items. ■