

# PROVEN LEVERS TO SCALE IMPACT

March 14, 2012

Scaling What Works

A LEARNING INITIATIVE OF



# THREE MYTHS

**Myth:** Scaling is an amorphous concept with no clear definition or discrete path for achievement

**Myth:** All great nonprofits need to be exceptional across all competencies and functions

**Myth:** From day one 'scaling darlings' all started with ambitions to scale

# OUR RESEARCH

**Question:** How do we identify discrete paths in which nonprofits scale their impact and the role funders do and can play to support these scaling efforts?

## Approach

- Last 18 months conducted extensive research
- Leveraged variety of research methods (literature review, focus groups, 1:1s)
- Spoke to leaders across government, philanthropy and nonprofit sectors



Why Taproot?

# BLUE RIDGE FOUNDATION NEW YORK

- **Overview**

- NYC-based social innovation incubator launched in 1999
- Approach: 1) funding up to \$500K during start-up years, 2) space in offices, 3) high-level of direct engagement with Blue Ridge staff, 4) facilitates interaction, knowledge-sharing and programmatic partnerships among portfolio organizations
- Work has included: building organizations from concept; starting local NYC offices of national groups; embedding new practices in government; fostering collective impact across portfolio
- Now focused on seeding innovations with technology or data at their core
- Past grantees: iMentor, SingleStop USA, College Summit, Year Up NYC



- **Matthew Klein**

- Serves as Executive Director and was first staffer hired at Blue Ridge
- Prior to Blue Ridge worked in nonprofit management and civil rights law



# iMENTOR

- **Overview**

- Uses the power of mentoring to help students from underserved communities graduate high school better prepared to succeed in college
- Launched iMentor Interactive, forming partnerships with 30 nonprofits across the U.S. to help implement effective mentoring programs in the iMentor model
- Since 2003 iMentor has grown from six employees serving 400 NYC high school students to more than 70 employees serving 2,400 students
- Has leveraged technology, train-the-trainer and scaled operations to scale its impact



- **Mike O'Brien**

- Joined iMentor in 2003 and now serves as CEO
- Began his career as a teacher in East New York, Brooklyn, where he also coached the boys' basketball team and launched an after-school writing program



# AMBIGUITY IS THE ENEMY - SWITCH



# DIRECTIONS FOR SCALING

**Advocacy:** Recognize that core systems in society need to be changed to address the underlying issues in the field

**Knowledge Sharing:** Get information into peoples' hands in order to enable them to change behavior and improve their lives and those around them

**Scaling Services:** Work to provide more services to more people

# SCALING FRAMEWORK



While nonprofits do not need to be exceptional across all functions, there's a baseline of functions they must excel at:

- Strong leadership
- Effective talent management
- Outcomes-/metrics-driven



# SERVICE ENTERPRISE

- Uses volunteers in many areas of work in a highly scalable way
- Greatly increases a nonprofit's human capacity, providing the opportunity to serve more people with higher quality programs
- Critical to increasing services with limited financial capital



## Exceptional Functions

- Human Resources, Marketing, Operations

## Upwardly Global

- Helps qualified immigrants enter the U.S. workforce, connects them with progressive employers
- Integrates over 800 volunteers into its management infrastructure
- Uses volunteers in programs, fundraising and administrative functions
- Gets 3x the impact for every dollar spent on volunteer management

# TECHNOLOGY-DRIVEN

- Effectively leverages technology to: 1) help distribute information, 2) deliver low-touch services, and 3) generate large individual donor support



## Exceptional Functions

- Technology, Marketing

## Kiva

- Connects people through lending to alleviate poverty
- Leverages the internet and a worldwide network of microfinance institutions
- Allows individuals to lend as little as \$25 to help create opportunity around the world
- Since 2005 launch, nearly 640,000 lenders have provided \$253M in loans
- Effectively leverage its technology platform to foster scale

# TRAIN-THE-TRAINER

- Finds ways to package a service model that other organizations can use to offer the same services in other communities
- Or builds a model that leverages a network of volunteers and partners to offer services more widely



## Exceptional Functions

- Marketing, Program, Partnership Management, Legal

## Bet Tzedek

- Small staff of paid lawyers manages ~1,800 pro bono attorneys/paralegals
- Tapped volunteers to create a toolkit – including videos, case studies, clinics etc., – enabling any law firm to replicate its programs using volunteer-led operations on the ground, in new geographies
- Program in 31 cities with minimal cost and staff investment to Bet Tzedek

# ADVOCACY

- Works to influence the institutional, societal, and governmental systems that relate to nonprofits' chosen issue areas
- Allows them to change the playing field, not just their position in it



## Exceptional Functions

- Marketing, Legal

## City Year

- Focuses on fighting the national dropout crisis
- Leader in the growing national service movement, helped establish AmeriCorps, the Edward M. Kenney Service America Act among others
- Applies principles of national service to its work with students, and builds awareness and support for national service initiatives

# SCALED OPERATIONS

- Develops a replicable model which enables effective scaling of operations across geographies
- Can spread the costs of the core infrastructure across program sites to make it economically viable



## Exceptional Functions

- Operations, Programs, Human Resources

## Center for Employment Opportunities

- Dedicated to providing immediate, effective and comprehensive services to those with recent criminal convictions, helps them move into the labor force
- Variety of programs in New York, Oklahoma and the Bay Area
- Cost of operating in just one geography can be prohibitive but operating across geographies allows for scale and offsetting of costs

# EARNED INCOME

- Scales an existing program-related earned income strategy to decrease dependency on traditional funding and encourage feedback and innovation
- Can include charging clients, generating government contracts, providing services to companies or selling goods and services to consumers



## Exceptional Functions

- Marketing, Operations, Finance, Customer Service, Legal, Human Resources

## DonorsChoose.org

- Public school teachers post classroom project requests, donors choose the project to support. Public charity with business model
- Donor can dedicate 18% of gift to DonorsChoose.org's operating expenses
- More than 90% choose this option, making the organization more self-funding

# THE FACTS

**Myth:** Scaling is an amorphous concept with no clear definition or discrete path for achievement



**Fact:** There are six proven levers to scale impact effectively

**Myth:** All great nonprofits need to be exceptional across all competencies and functions



**Fact:** Only need to be exceptional in a few functions and good in many

**Myth:** From day one 'scaling darlings' all started with ambitions to scale



**Fact:** Many nonprofits did not start with scaling in mind

MAKE IT  
MATTER