PROVEN LEVERS TO SCALE IMPACT March 14, 2012

Scaling What Works





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



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



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-/metricsdriven



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 leveragse 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

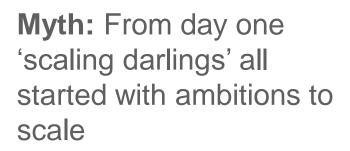
- Public school teachers post classroom project requests, donors choose the project to support. Public charity with business model
- Donor can dedicate 18% of gift to DonorsChoose.org's operating expenses
- More than 90% choose this option, making the organization more self-funding



THE FACTS

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

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



Fact: Many nonprofits did not start with scaling in mind



Fact: There are six proven levers to scale impact effectively

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





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