



Research Findings on Nonprofit Growth & Scaling

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Core Capacity Assessment Tool (CCAT) Findings on Growth & Scaling

The Three Foundational Building Blocks of Nonprofit Growth & Scaling

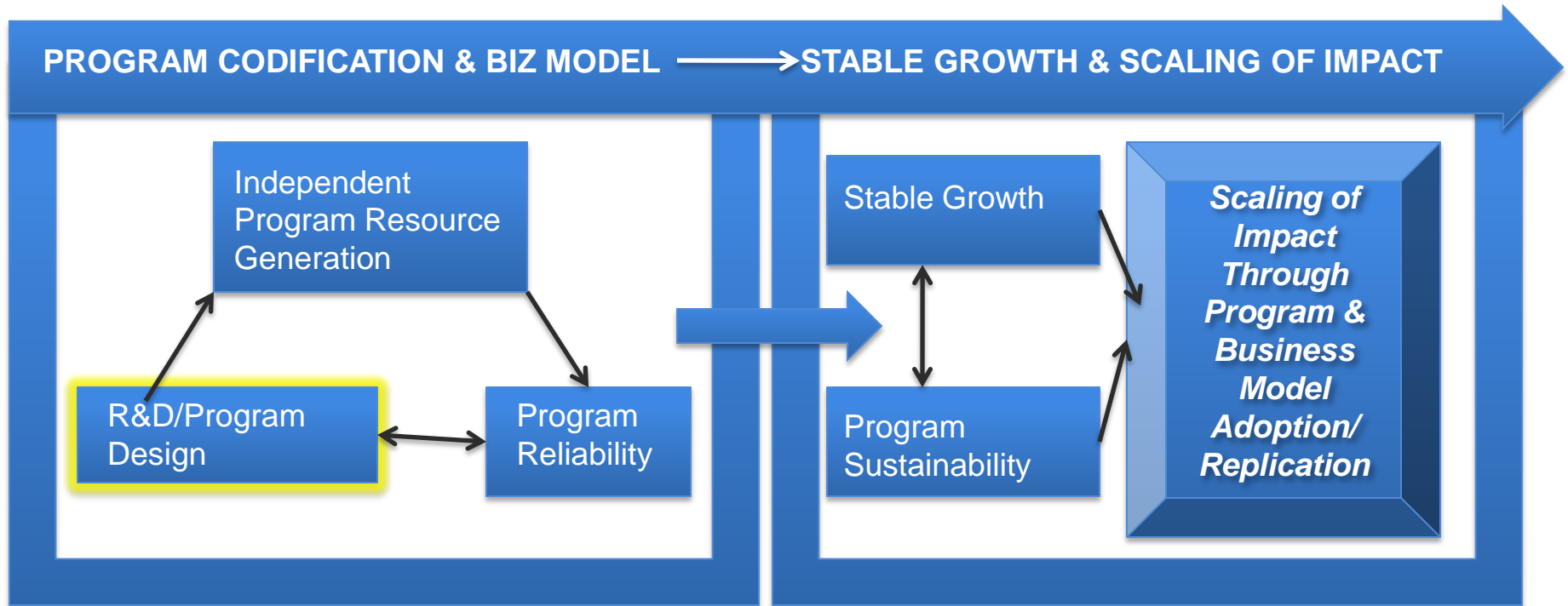
Based on Analyses of Over 2,000 Reliable and Valid Organizational Assessments (CCAT), There are Three Statistically Significant Predictors of Growth and Scaling:

1. Centralized Program Design Leadership (R&D)
2. Program-Centered Independent, Sustainable and Diversified Resource Generation
3. Program Reliability and Expansion Management

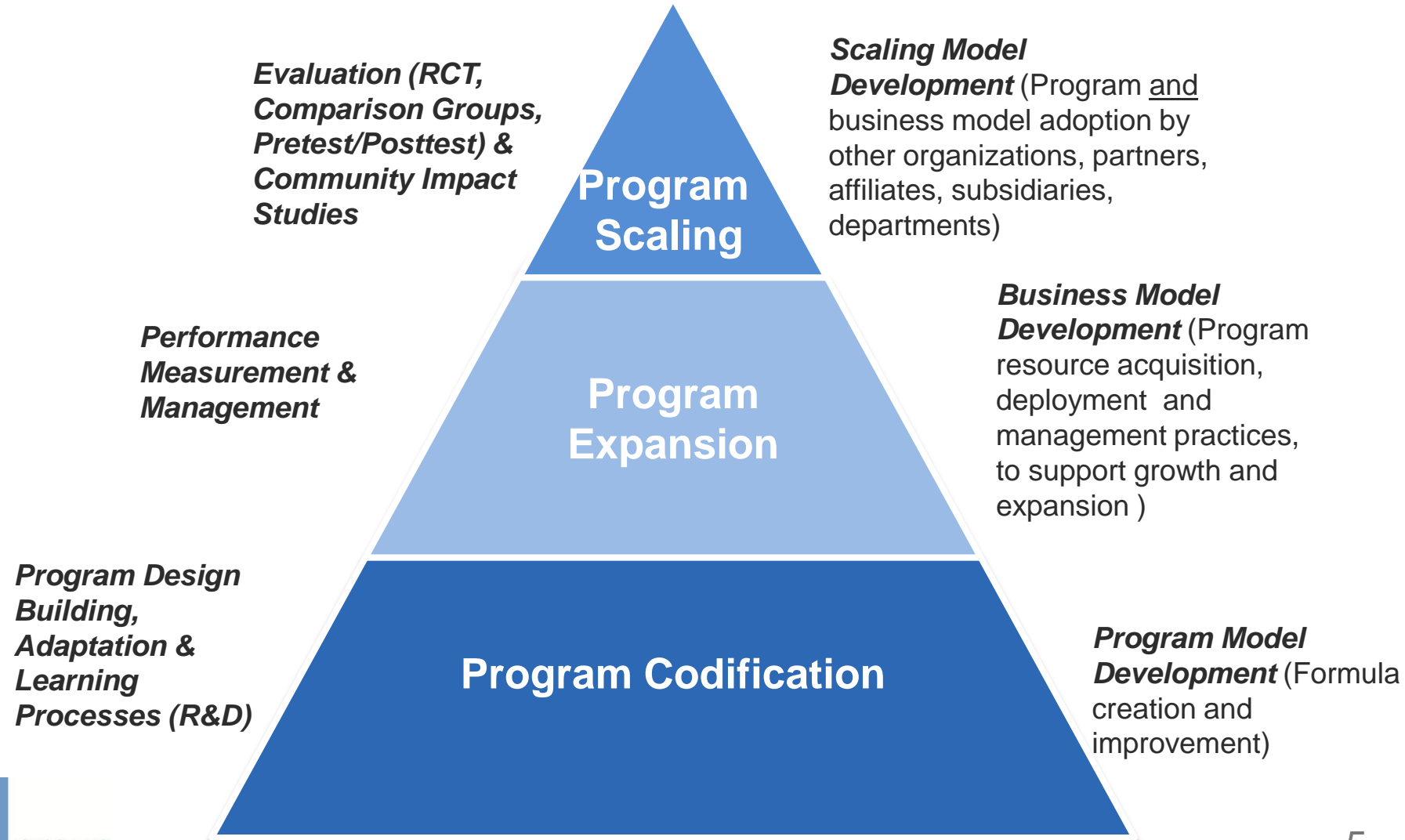
Organizations That Have These “Scaling” Capacities are 3X More Likely to Grow Faster Than Inflation

Only 3%-5% of All Nonprofits Do These Well

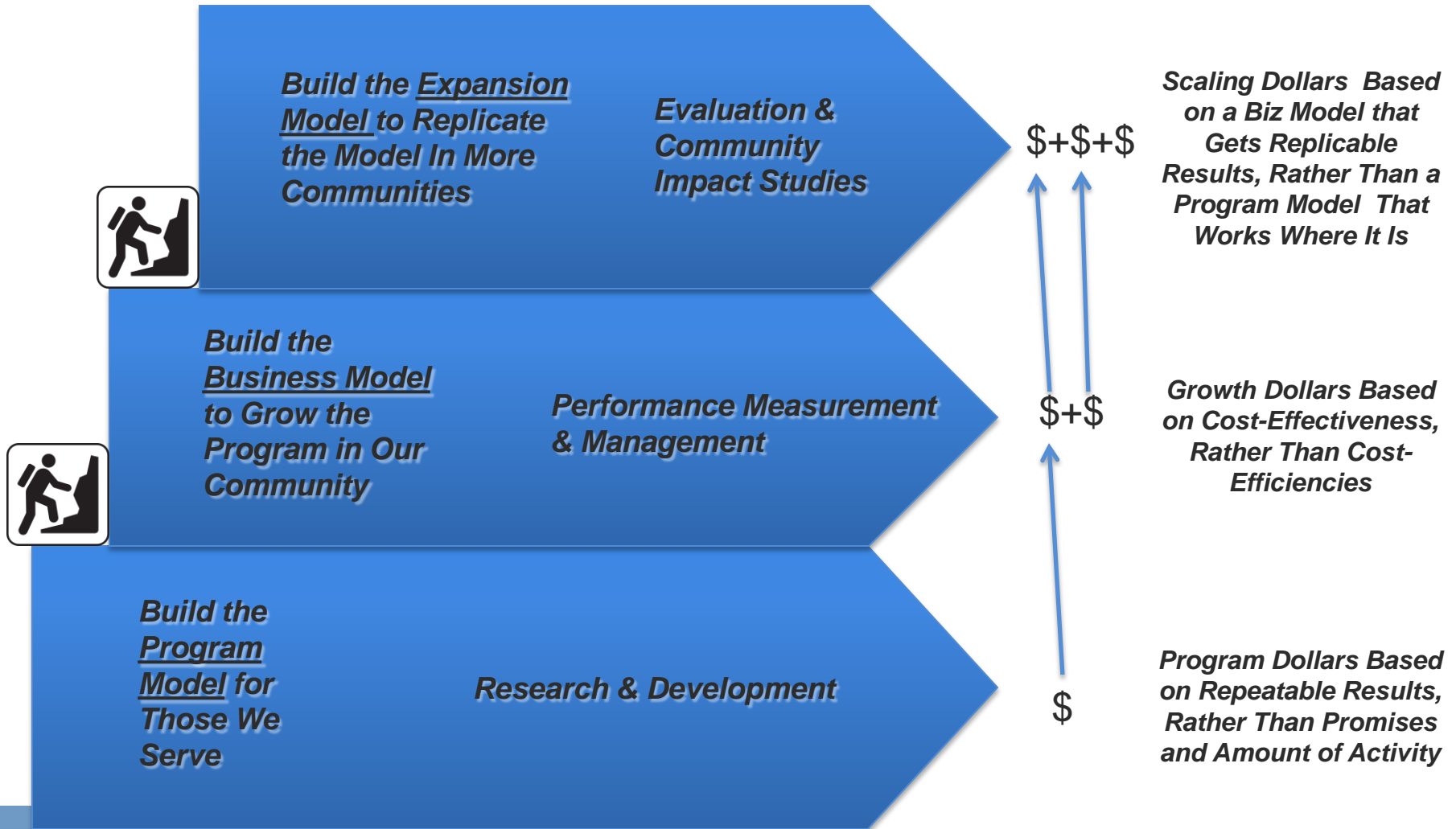
The Scaling Formula



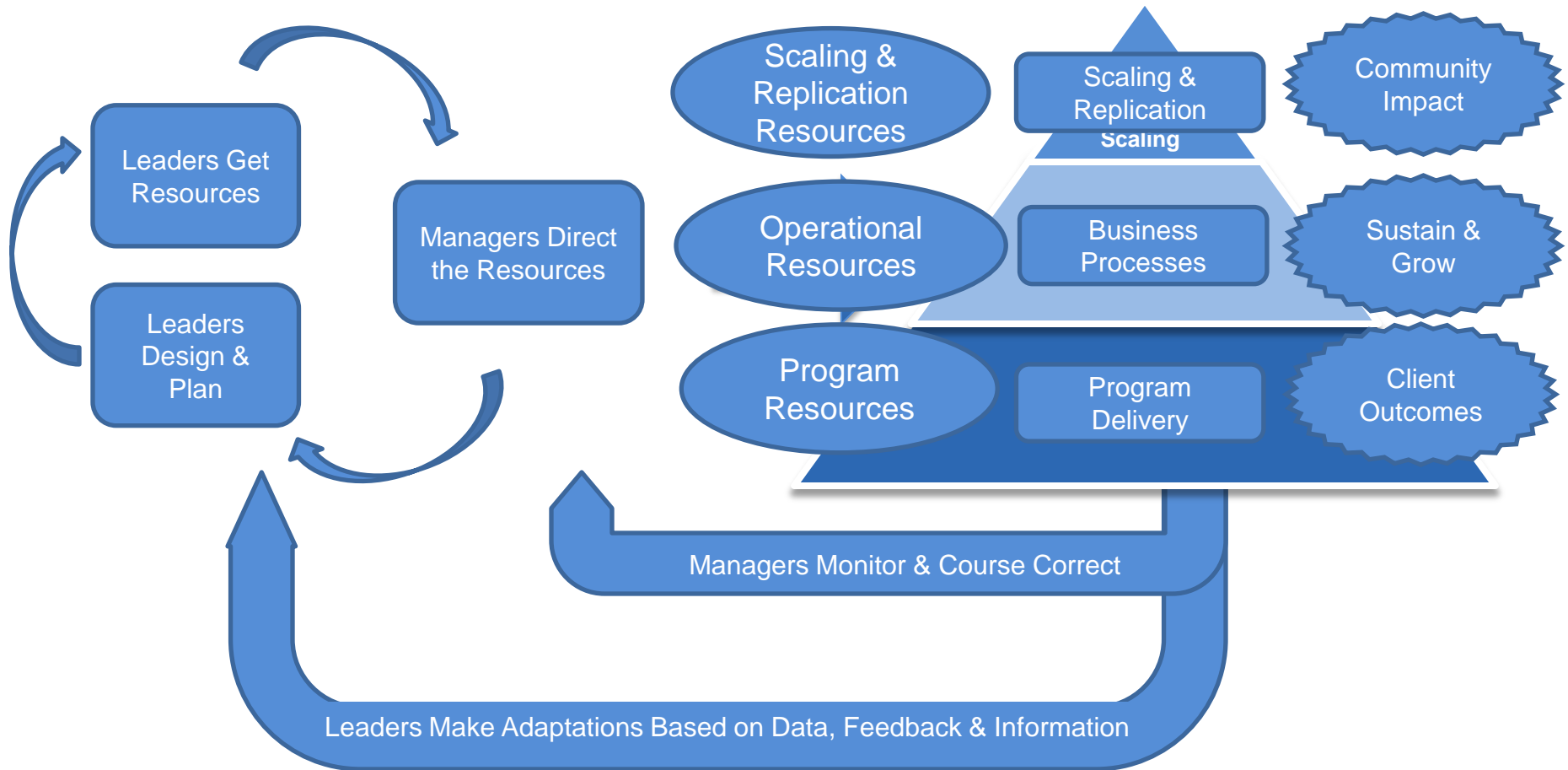
The Developmental Model for Scaling, and the Key Transitional Learning & Leadership Tools



Why the Three Pillars Lead to Going to Scale



Scaling Capacity



Qualitative Investigation: Positive Deviants & Non-Positive Normals

- Interview Positive Deviants & Non-Positive Normals – Those that are most “ready” to go to or have achieved scale, and those that are not; foci (completed):
 - examples of how they do or don’t do program design, program reliability and independent resource generation;
 - how they work with funders to provide the types of operating, capacity building and program support that strengthens programs and business models and scaling; and
 - which funders to further investigate.
- Interview funders; foci (to be completed):
 - Reactions/response to the three pillars;
 - How and why they support the pillars (program design work, program reliability and business modeling to expand programs), why and what prompted the choice;
 - How and why they make program, operating support, and capacity building in nonprofits, in particular in support of scaling and replication
 - If, how and why they make investments in replication and scaling of programs and business models.

Key Findings on Program Research and Design Capacities

Positive deviants:

- Implement formal information systems and data collection processes.
- Work hard to overcome data collection and analysis challenges to comply with funders.
- Spend a significant amount and frequency of time “making meaning” from data
- Control funder data dialogue by proactively establishing measures of success and operationalizing what works and why

Non-positive normals:

- Don't do what positives do, and...
- Lack sophisticated information systems and dedicated staff to comply with complex funder data requirements.

Key Findings on Independent Resource Generation

Positive deviants:

- Focus on diversifying funding and are creative about where to find extra revenue that comes without strings attached.
- Avoid funders who are too controlling from a programmatic perspective, or far outside of their focus area.
- Provide clear guidelines for their board and keep them out of the program kitchen.
- Build proactive relationships with donors to get the funding they need.

Non-positive normals:

- Don't do what positives do, and...
- Focus on fitting funder's requirements.
- Have a difficult time managing their board to stay out of the program kitchen and assist with fundraising.
- Lack the capacity and time to engage with funders effectively.

Key Findings on Program Reliability

Positive deviants:

- Hire high quality staff and invest in them to ensure program reliability
- Measure the delivery of all services, including the quality of individual's who deliver the programs, by listening to recipients/targets of intervention
- Share data and results with funders to foster successful relationships and program understanding
- Funders buy programs that are proven, rather than direct program designs from afar

Non-positive normals:

- Don't do what positives do, and...
- Struggle to match existing resources with the evolving priorities of funders
- Have a difficult time retaining staff in order to combat program reliability threats
- Staff that are delivering services are difficult to replace

Summary of Key Findings on Overall Relationships with Funders

Positive deviants:

- Proactively engage funders to build relationships and trust.
- Control funder data dialogue by proactively establishing measures of success and operationalizing what works and why
- Partner with funders whose values are aligned with organization's mission; who are willing to take a chance on nonprofits due to proven success, and give them resources and space to be innovative; and who support peer sharing among nonprofits.
- Keep funders outside of the program kitchen by pushing back with measurable success.

Negative deviants:

- Don't do what positives do, and...
- Expressed the need for general operating support but had a hard time getting this type of funding.
- Spent a lot of resources trying to meet funders' requirements (outcomes and outputs), which are changing constantly, but less on figuring out what works.
- Tried to be candid about their financial needs and be open to talk about financial issues with funders. However, funders do not want to support a sinking ship – it's hard for an organization to be candid about their financial need while demonstrating financial stability at the same time.

Checklists to See if Nonprofits Have the Three Pillars of Scaling Capacity

Key Program Design Behaviors

- ❑ Gather data *directly from program recipients* to determine how to improve services
- ❑ Decide on outcome metrics by first listening to, documenting, and sharing actual *client success stories and results*
- ❑ Engage key leaders and staff in making meaning out of client-derived data
- ❑ Identify patterns and themes in program data that show ***which program ingredients worked, for whom, and how***
- ❑ Bring program design leaders together to assess and *address the resources needed to deliver programs effectively*
- ❑ Leverage insights *to inform the program implementation team*

Key Independent Resource Generation Behaviors

- ❑ Make sure the strategic plan is anchored in resourcing, strengthening and improving program impact, which is a significant predictor of plan implementation
- ❑ Diversify the funding streams, particularly if your organization depends on a few large grants from funders who have a hand in how you deliver your programs
- ❑ Acquire numerous repeat givers, donors or buyers
- ❑ Invest as much of your resources into strengthening and improving your programs/program models, and don't invest in non-programmatic infrastructure until program growth hurts
- ❑ Keep your board and funders out of your program kitchen, including raising or providing program funding, unless they agree to attaching no program design strings to the dollars/efforts

Key Program Reliability Behaviors

- Train staff to deliver the program as it is designed/re-designed
- Invest in ongoing training for program improvements and/or modifications
- Assess program implementers based on client-derived results
- Leverage program data to monitor program delivery (of best practices)
- Invest in program managers as implementers (staff and/or volunteers) grow
- Have clear guidelines for making difficult staffing decisions based on program data
- Develop cost-per-result metrics to manage accountability