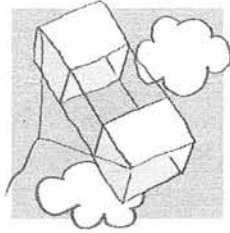


Chapter One



Organizational Life Stages

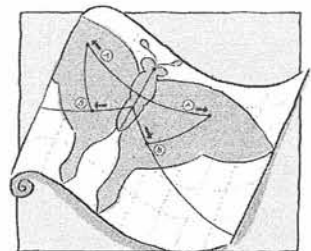
TO HELP YOU NAVIGATE the model, several pieces of groundwork need to be laid: a brief *synopsis* of the model and the five stages, the underlying *premises* upon which the model rests, and the *seven arenas* used to describe the intricacies of organizational life in each stage. These three components should help you understand the overall model, to apply the assessment tool to your organization, and to make plans based on the stage your organization is in.

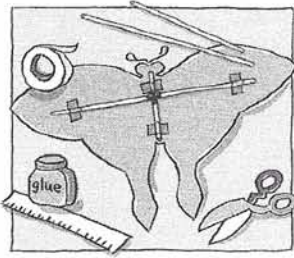
The Stages of Organizational Development

Nonprofit organizations typically move through five stages of development. To help you remember the stages, each has a short two-word title and accompanying graphic image. The titles and images are meant to be brief descriptors of the primary tone or activity for that stage. As you will see, an organization's life really is a journey of sorts, with many choices, challenges, and obstacles along the way. Let's explore briefly the five stages of organizational life.

Stage One: Imagine and Inspire

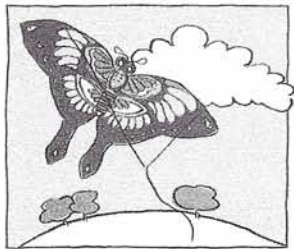
This is the vision or idea stage, where the organization is not yet formalized and where imagination and inspiration abound. The primary question at this stage is, "Can this dream be realized?" This stage is characterized by lots of enthusiasm, energy, and creativity, but at this point, the organization really is merely a dream of a better world that is inspirational and worth striving for.





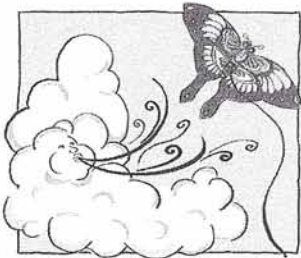
Stage Two: Found and Frame

This is the start-up phase of the organization, when it receives its official nonprofit status and all the activities of founding and framing an organization occur. The key question at this stage is “How are we going to pull this off?” Like Stage One, this stage is characterized by excitement and high levels of interest by many people, accompanied by the fear that formalizing the dream will result in the loss of its magic. The act of incorporating formally establishes the organization.



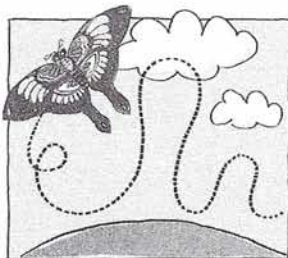
Stage Three: Ground and Grow

In this stage the organization is concerned with building its foundation by grounding its activities and growing the “business.” The overriding question is “How can we build this to be viable?” Organizations in this stage are focused on establishing systems of accountability; however, the need for growth on multiple fronts may be overwhelming to those running the organization. The Ground and Grow stage has a mundane feel of “taking care of business”; but it also has numerous enticing intersections, choices, and challenges.



Stage Four: Produce and Sustain

This is the mature phase of the organization’s life when production is at its peak and sustaining the organization is a high priority. The primary concern, “How can the momentum be sustained?” The organization is very stable, yet that same stability may make it stale as concerns for procedure slow creativity and growth. Stage Four is a productive place that, at its peak, feels a little like automatic pilot. Staff are doing their work effectively and enthusiastically.



Stage Five: Review and Renew

In this stage the organization is reinventing itself in some way, shape, or form through a process of review and renewal. The primary question is “What do we need to redesign?” It can be a time of large or small, exciting or stressful, but always necessary, change. Proponents of chaos theory will recognize that in order for organizations to be as viable as possible, they will need to operate in modes that promote chaos and therefore create possibilities for new patterns of interaction to form. Mature nonprofits revisit one or more aspects of their organization—mission, vision, products, services, structure—sometimes changing them drastically, sometimes only making slight innovations, as they rediscover who they are and how they fit in the changing world. Relative to the scope of the modifications, organizations may cycle back to an earlier stage. For example, if the change relates to the primary mission of the organization it may find itself back in Stage Two, while minor alterations in the organizational structure may simply mean revisiting Stage Four.

Decline and Dissolution

Sometimes it happens—an organization is forced or chooses to shut its doors. In this model, decline and dissolution is *not* considered an inevitable stage of an organization's life cycle but rather one of the routes an organization can find itself taking. That is why I describe only five stages. An organization can face dissolution at any stage. There are several indicators (see page 39) that signify an organization is seriously declining.

Figure 1, The Model of Nonprofit Organization Life Stages, illustrates the nonprofit organization's developmental path.

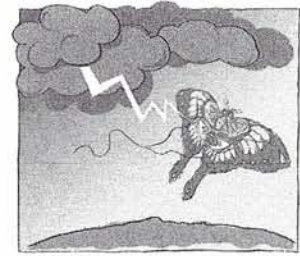


Figure 1.
The Model of Nonprofit
Organization Life Stages

