



Expansion and **Growth**

A reflection tool

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Expansion and Growth: A reflection tool

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This tool is designed to help non-profits explore how, when and why to undertake large growth and/or expansion.

Examples of changes may include:

- Offering new types of services or programs,
- Deepening the service offering,
- Expanding to new geographic communities, and/or,
- Reaching out to a new clientele.

Reasons for the expansion and growth may include:

- New emerging needs in the community,
- New funded monies are available, or desired (e.g.: fee for service, social enterprise, etc.),
- New partnerships are being requested from other organizations or government.

Frances Ravensbergen coordinated the work on the creation of the tool. To create the tool, a review of the literature[1] on growth and expansion of non-profits was conducted. Elements of the tool were then presented and workshopped with CHSSN and RDN member organizations at a retreat in August 2022. CHSSN, RDN and several non-profit Executive Directors reviewed the final draft.

RDN provided funding through the Enhancing Regional Community Capacity (ERCC) program.

[1] Barefoot Collective. (2016) [The Barefoot Guide to working with organizations and social change](#).
Brenner, L & Rodriguez Heyman. (2019) Nonprofit management 101: A complete and practical guide for leaders and professionals. Wiley.
Brothers, J & Sherman, A. (2012) [Building nonprofit capacity: A guide to managing change through organizational lifecycles](#). Jossey-Bass.
Dann, P. (2022) Managing and leading nonprofit organizations. (Chapter 2+8 on leadership and change management)
Garry, J. (2021) Joan Garry's Guide to nonprofit leadership: Because nonprofits are messy. Wiley & Sons (audio book).

Using the tool

How can it work for our organization?

This tool identifies 5 key aspects to consider when undertaking expansion and growth. There is a detailed worksheet for each aspect at the end of the document.

Is growth intentional? Questions to explore include:

- Does the change fit within the foundational purpose of the organization?
- Does it align with other services in the community?
- Where is the pressure for change coming from?

Will the change be about growth or depth? Questions to explore include:

- Do new skill sets need to be brought into the organization (growth into new areas of work) and/or perhaps needing a new space to work out of.
- If the change is more about depth, what kind of staff training is needed to work more deeply with participants?
- Can the change be piloted and then expanded if successful?

Staffing the change. Questions to explore include:

- Can current staff undertake the new work and their tasks be re-assigned or is external hiring required?
- How might supervision or the organizational structure shift with the growth and expansion?

Communicating the change. Questions to explore include:

- How will the change be explored internally and with whom (staff, board, volunteers, and/or participants)? How will others be informed of the change?
- Which partners and/or funders need to be involved in discussing the change? Which need to be informed and how?

Managing the growth and expansion. Questions to explore include:

- Is the organization currently in the right place for this type of change?
- Can the current leadership manage the change or might training, relying on others or hiring some change management support be called for?
- Might the change shift the culture of the organization? Is that desired or does it need to be mitigated?

The tool can be used as a discussion guide for staff and board to help clarify the envisioned changes. Its purpose is to allow for deep thinking at the organizational level before undertaking growth and/or expansion.

Using the tool

How can it work for our organization?

There are three easy steps to using the tool:

1

To use the tool, it is suggested to bring together **key organizational stakeholders**:

- Executive Director
- One to two essential staff people
- One to two members of the Board of Directors

2

Once you've gathered your group of participants, **complete the reflection worksheets**.

3

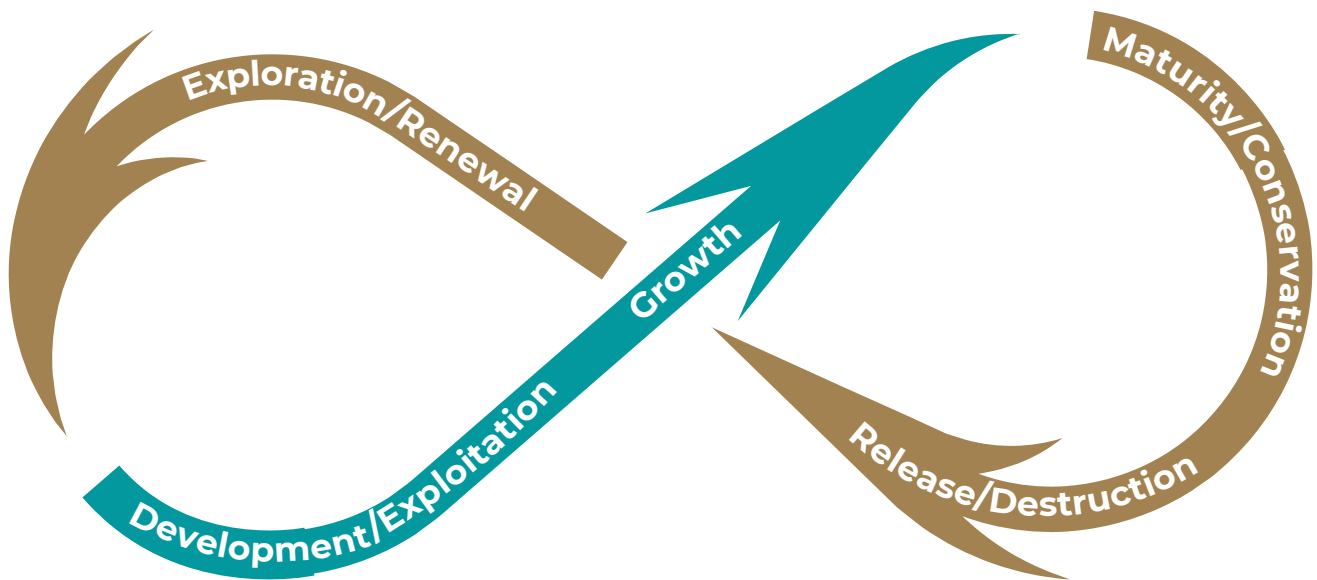
Make recommendations to the board on if, and how, to move forward with expansion and/or growth based on the results of your reflections.



Life cycle of organizations and leadership styles^[2]

The *Life Cycle of Organizations* suggests that organizations are like ecosystems. In their inception, **development** takes place. Roles are identified, teams form, networks are created and people are recognized for their contributions.

With **growth** the roles become more specific tasks, teams become structures, networks become systems and contributions are acknowledged through compensation (salary levels). A level of stability or maturity is achieved. The **mature** organization then, at some point, goes through some sort of creative destruction, **releasing** the established ways of working to **explore** and formulate a new way of being.



Source: Hurst. 2002. Pp.97; Tamarack Institute for Community Engagement

Let's look at the cycle as an ecosystem, using the analogy of a forest:

- **Development** is when there is opportunity for new growth or the **exploitation** of the forest
- **Conservation** is the **maturity** of the forest
- **Release** is the **destruction** of the forest, in a fire perhaps
- **Renewal** or **exploration** is the emergence of new foliage and a new beginning to the cycle.

Not unlike a forest, organizations develop, reach maturity, release themselves from established ways of doing, and explore new ways of accomplishing their work.

The different phases of the life cycle of organizations calls for diverse leadership styles. **Development/exploitation** calls for an entrepreneurial style of leadership. Being adaptive, flexible, open to trial-and error, and having a high tolerance for error are some of the key leadership traits called upon during this part of the life cycle. Strategic management skills help lead an organization into the next phase.

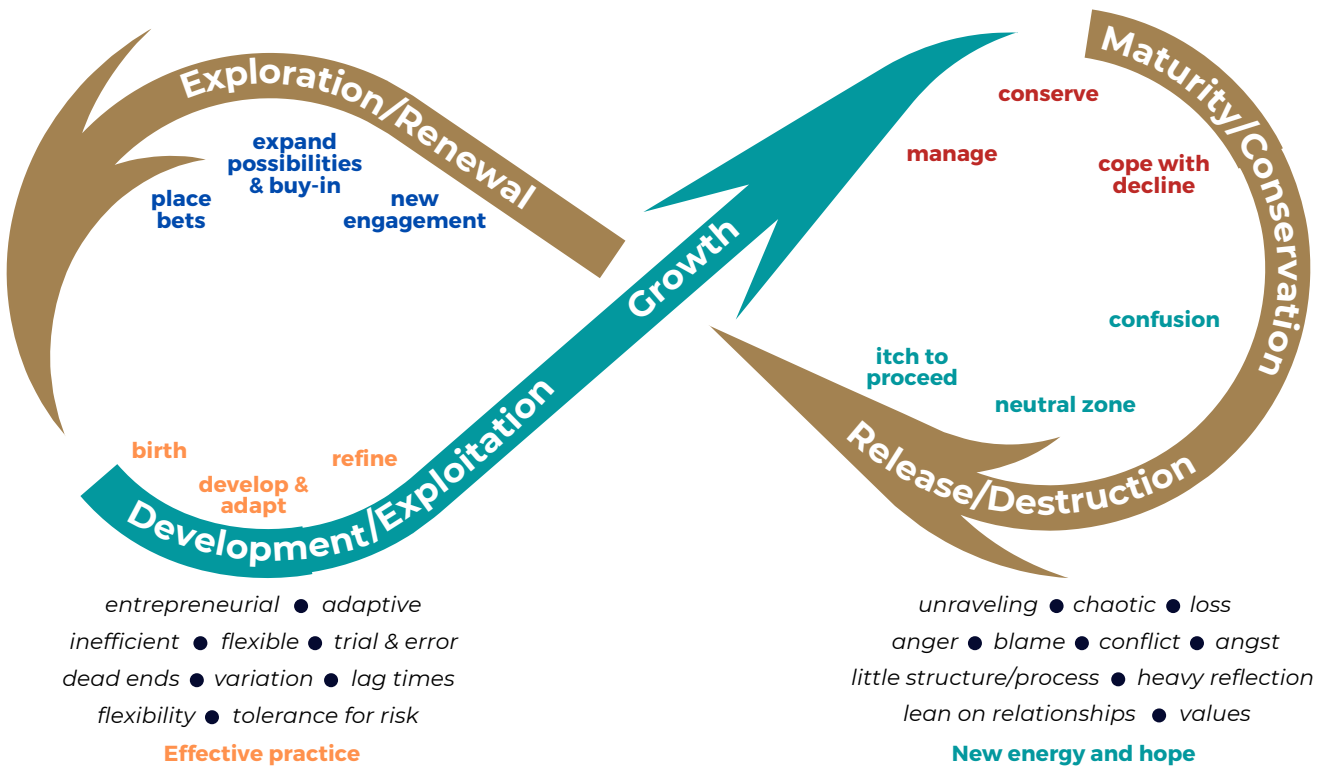
The **maturity/conservation** phase requires a leadership style that provides stability, puts systems in place, is effective, and recognizes the need for specialized roles.

Release/destruction calls for a very different leadership style. Being able to deal with conflict, chaos, and ambiguity are needed to guide an organization through this phase and into renewal. Charismatic leaders often function well at this phase. Leaders that 'walk the talk' and focus on the values of the organization do well in this life cycle phase.

Renewal/ exploration is a creative and messy phase for organizations. It calls for leadership that works well with many unknowns, is willing to follow 'hunches' to find its new way of being, and can move quickly on new ideas.

creative ● messy ● uncertain
relationships ● perspectives ● conversations
research ● probes ● prototypes
hunches ● emergence
Insights, empathy, options

efficiency ● certainty ● stability
predictability ● hierarchy ● standardization
specialists ● fast returns
low risk tolerance ● rigidity
Highly-predictable performance



Different leadership styles are needed depending on where the organization is in the life cycle. This requires leaders to adapt as needed:

- Some leaders recognize their strengths and change jobs to reflect where their style works best (e.g.: start-ups, mature organizations or organizations in crisis).
- Some leaders surround themselves with a team who have the various skills to meet the needs of the organization at different times, depending on the where the organization is at in the life cycle.
- Some leaders can adapt their leadership style.
- Some leaders look for training on change management to help them learn new skills.
- Some leaders hire short-term consultants or change managers to help them adapt to the changes required with a shift in the life cycle of the organization.

Program or service areas as well as satellite offices can also go through their own mini life cycle; experiencing the shifts from development, maturity to destruction and re-birth within their area while the organization is overall in a mature phase.

Recognizing where your organization is in the life cycle is a starting point to think about what leadership skills are needed and how to secure the skills required to navigate the next phase of the life cycle.

[2]Brothers, J & Sherman A (2012). Building nonprofit capacity: A guide to managing change through organizational lifecycles. San Francisco: Jossey-Bass.

Hurst, David K. (2002). Crisis & renewal: Meeting the challenge of organizational change. Boston: Harvard Business School Press.

Tamarack Institute (2015). The adaptive cycle (powerpoint from Collective Impact training session).

Organizational culture during expansion and growth

Organizational culture can be defined as “a pattern of beliefs, values, practices and artifacts that defines for its members who they are and how they are to do things”[3]. It is often described as “how we do things around here”. It is reflected within the way services and programs are organized, how the staff operate, how the board works and how partnerships in the community are acted upon. There are, at times, different cultures within the staff, board and/or partnerships.

A change in organizational culture often takes place when there is expansion and growth. Sometimes the change requires the culture be consciously reinforced or consciously changed.

EXAMPLES:

If the change brings new people into the organization (as members, volunteers, staff or board members), they need to be informed and engaged with on the culture. This raises questions about how the values are transmitted.

New people may also mean new practices such as needing different ways of communicating: staff meetings, info bulletins, information or exchanges with members, new ways of organizing the work (hierarchy or reporting systems). This can inadvertently have an impact on the organizational culture.

Change can be difficult for long term staff, board members and perhaps partners to accept. They may not acknowledge the new ways of working or not fully understand (or be involved in) exploring the impacts of the change.

New satellite offices also mean that different ways of working can evolve in the different settings. To what extent is that OK or are the values of the organization shifting? I.e.: how participants are welcomed into the space, how privacy of information is dealt with, equity of resources for each of the facilities, etc.

Since the values of the organization are the basics for the culture, a clear articulation of them is needed. Values are often written down (and if not, should be)[4]. They also need to be spoken about.

[3] Bolman, Lee G. & Deal, Terrence E. (1991) Leadership and management effectiveness; Artistry, choice and leadership. Jossey-Bass/ Wiley.

[4] To identify organizational values explore: <https://management.org/strategicplanning/mission-vision-values.htm> and <https://www.shrm.org/executive/resources/articles/pages/discover-org-core-values-calderoni.aspx>.

Ways to do this include creating space for staff, board, volunteers and/or members to talk about:

- How they would explain each value
- An example in daily organizational life of how the value is being lived concretely
- The challenges of living specific values

How the values are articulated in real time needs to be considered in light of the organizational change. This can be through a discussion about how organizational practices reflect (or not) the values and how artifacts reflect (or not) the values.

Organizational practices include:

- How planning is done
- How information is communicated
- How involved people are with decision-making
- How spending of money or making decisions is monitored within the organization
- How the personal/professional life balance is lived, etc.

Artifacts are:

- The stories we tell about the organization (e.g.: founded by a 'hero', always open to helping at any cost, tightly organized etc.)
- The rituals we have (such as always starting the week in a staff meeting or lunch together on Fridays, the board always has a meal while they meet, etc.)
- The symbols (such as bigger offices for more senior staff, staff offices away from participant spaces, children's art on the walls, a TV for leisure viewing in a staff room, etc.)
- The language (language like 'benchmarks' and 'blackholes' or 'hitting' our targets or using acronyms a lot; speaking in plain language or not, etc.)

Practices and artifacts are the manifestation of organizational culture. Aligning the practices and artifacts (as much as possible) with the desired values can support the expansion and growth.

EXAMPLES:

An organization working on both prevention and intervention in community services and identifying the work as interconnected re-organizes its office spaces to have intervention and prevention staff's desks intermingled as a way of living the interconnectedness of the organization values.

An organization that values dignity tries to have positive images and a nice-looking reception area for members to see as they walk in, it makes the space as

physically accessible as possible, staff or volunteers smile and welcome people when they come into the space.

An organization that values inclusion allows members to sit in on parts of the board meetings, it allows interns and volunteers to sit in on staff meetings. It prioritizes making its facilities accessible.

An organization that values diversity works consciously to have diversity represented throughout the organization.

There is often resistance to change from within the organization. This may be due, in part, to a change in the culture that is inconsistent with the one people originally signed up to.

Brothers and Sherman[5] suggest ways for an Executive Director to address the resistance by:

- Acknowledging the change and the trade-offs it entails
- Explaining why the change is needed for the organization
- Reminding people of what will remain the same
- Being a positive champion of the change
- Building support for the change
- Empowering staff to take on greater leadership roles.

Understanding and articulating the organization's culture, through working on the values and their manifestation in practice and artifacts can support successful expansion and growth.

[6] Brothers, J & Sherman, A. (2012) Building nonprofit capacity. A guide to managing change through organizational lifecycles. Jossey-Bass/Wiley, p 66.

Aspect to consider: Is the growth intentional?

Is the change realizable within the foundational purpose of the organization?

- Does it intentionally focus on achieving the mission?
- Is it aligned with the vision and values of the organization?
- Does it respect the organization's letters patent?
- Is it identified within the strategic plan of the organization?

If not, consider undertaking a fuller process to garner consent among key stakeholders to change the foundational purposes and/or long term goals of the organization.

Is the envisioned change aligned with services other organizations are offering in the community?

- If there is real or perceived overlap, what role should other organizations have in helping shape the change?

Where is the pressure for change coming from?

- Needs based, opportunity based or funder based?
- Is the pressure from other organizations, partners, staff, the board, participants, potential participants, funders?
 - How pertinent is their interest in the change?
 - How much power do others interests have over the future of the organization?
- Will there possibly be significant resistance to the change (staff, board, partners)?

What does the change accomplish for your organization?

Implications for our organization

List possible implications/consequences/repercussions here.

Positive

Negative

Aspect to consider: Will the change be about growth or depth?

Does the organization want to grow; meaning add a new areas of services or new communities to serve?

- Growth requires new levels of knowledge (e.g.: moving into employment services involves staff acquiring a new skill set).
 - This will probably require new staff with the skill sets and/or knowledge of the new community to be served.
 - This may also call for more space; a new facility in a different community and/or office/program space adapted to the needs of the new service.

Or, does the organization feel the need to go deeper: work more closely with participants, offer more complimentary services to the current focus of the organization?

- Depth requires deeper knowledge of the program area (e.g.: offering more support for mental health). This may require staff training to deepen the knowledge or new staff with more specialized skills.

Can the change be **piloted and then evaluated** to see if/how it should continue?

- For example: instead of setting up a new office in a new community, could space be rented from another organization; could a scaled down program be run first and evaluated before expanding, etc.

Implications for our organization

List possible implications/consequences/repercussions here.

Positive

Negative

Aspect to consider: Staff

Does the organization currently have the staff to implement the change?

- If staffing will come from within the organization, how will the current work of those staff be changed?
- To whom or how can their current job load be redistributed?

If hiring is needed, can people with the skills needed for the change be found?

- If it may be difficult to hire people with the skill sets required, is there anything that can put in place to help with success at hiring (e.g.: training opportunities, adapted working conditions, etc)?

How, if at all, might the change in staff affect the structure of the organization or supervisory responsibilities?

Is there overall organizational capacity to undertake the changes?

- Are people ready to engage with change management (keen, skilled, have the time)?

Implications for our organization

List possible implications/consequences/repercussions here.

Positive

Negative

Aspect to consider: Communication

Internally:

- What mechanisms exist to create awareness and, where necessary, discuss the changes with the staff team, the board and possibly volunteers and/or participants?
- How can regular updates on how the change is progressing be given?

Externally:

- Which partners and/or funders need to be involved in discussing the change?
- Which need to be informed or aware of the change?
- Are there any that need a specific explanation for the change?

How can the organization add information on the growth into its communication tools (website, Facebook, Instagram, annual report, etc.).

- Is a specific communications plan needed to launch the change?

Implications for our organization

List possible implications/consequences/repercussions here.

Positive

Negative

Aspect to consider: Managing the growth and/or expansion

Is this the right time for change?

- Is the change sustainable over time (funding, use of space, time to manage, etc.)?

Where is the organization in its own 'life cycle' for embarking on major change (see *Life Cycle of Organizations and Leadership* p. 6)?

- Is the leadership of the organization confident to manage the change?

Significant change calls for leadership skills such as adaptability, creativity, tolerance for ambiguity, and ability to deal with conflict/differences (see Life Cycle of Organizations and Leadership p.6). Is there appropriate leadership in place to manage the change?

Growth and expansion may shift organizational culture and how work is accomplished within the organization. Examples include:

- A larger staff team, perhaps significantly larger
- Decentralized work locations
- New staff with different skills and ways of organizing their work, etc.
- The organization of staff meetings and in-house communication
- A higher prioritizing of team building across the organization
- New systems for data filing and sharing
- A more hierarchical structure, etc).

What are the possible implications of these changes on the culture of the organization (see *Organizational Culture during Expansion and Growth* p.9)?

Implications for our organization

List possible implications/consequences/repercussions here.

Positive

Negative

Summary

Of the five aspects discussed, which raise the most important challenges for your organization to address?

Which are the strengths that you can you can rely on during the expansion and growth of your organization?

What does this discussion identify as potential next steps?

Who should this summary be shared with?



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