

CASE STUDY | Overcoming "Founders Syndrome" in a Nonprofit

Situation

- An entrepreneurial-oriented environmental advocate launched a small nonprofit on the strength of an innovative new approach and some venturesome seed money.
- With a small, nimble staff of dedicated young professionals, the organization experienced a string of early "wins" in its start-up phase. As a result, more grants and charitable dollars were attracted to the new "hot hand." With more money and more recognition for its effective approach, more opportunities to do good opened up—a seemingly "virtuous circle."
- So what could be wrong with this picture? A number of organizational risk factors gradually came into focus:
 - Not surprisingly, the founder and the nonprofit became synonymous for stakeholders and adversaries alike...which meant that further growth in programs and partnerships was limited by the founder's own increasingly restricted availability for new work.
 - Staffed largely by newly minted graduates, the organization began to experience some unsettling turnover after its first few years of operation—the inevitable result of reliance on often-restless young professionals. Several young staffers complained that their small, fast-paced, outwardly focused organization provided limited career-path opportunities and little in the way of mentoring in service of personal development.
- Most troubling of all, the founder was beginning to feel overwhelmed by the work demands, and was growing restless for another start-up opportunity to "do it all over again."
- Fortunately, this all-too-familiar "founder's syndrome" caught the eye of some proactive funders who were prepared to make the necessary investment in the organization's growth.

Objectives

- To ensure the survivability and growth of this innovative successful venture beyond the "life" of its progenitor, through systematic succession planning.
- To "professionalize" the management and development of staff in order to broaden and enhance expertise and to reduce costly turnover.
- To build organizational capacity so that new opportunities for expanded work could be exploited.

Solution

- Building leadership bench strength and managerial expertise within the organization was job #1. Several ingredients helped to "set the table" for success:
 - An expanded hierarchical structure, with more opportunities for management and programmatic leadership initiative.
 - A hiring-by-design initiative, with some pre-identified competency factors in mind.
- The design and implementation of a strategic performance management system, including management training for a broader leadership team—with the goal of reduced reliance on the founder for all things "great and small."

Results

- The two-year period following the launch of this organizational development project have seen a number of desired results, including:
 - The emergence of a new corps of early-career leaders who have gained both critical new responsibilities and recognition, within the NFP itself and with external stakeholders.

-continued-

Results

- The two-year period following the launch of this organizational development project have seen a number of desired results, including:
 - The emergence of a new corps of early-career leaders who have gained both critical new responsibilities and recognition, within the NFP itself and with external stakeholders.
 - A greater sense of durability and vitality, as the organization is less reliant on its founder and as successors are readied to step up into higher leadership roles within an organization “built to last.”

- Not surprisingly, a three-fold expansion in the size, funding, and programmatic reach of the organization.

Post-script

- Four years out, this NFP has made the transition to “life without the founder”, who has moved on to start new ventures.
- Moreover, the parent organization has itself spun off a wildly successful program into a full-fledged start-up NFP in its own right...adding to the capacity of the nonprofit sector more broadly.