CTOP Rubric for Stages of Organizational Development Using Points of Reference

Introduction

Just as no two organizations are the same, so organizations never are the same from one year to the next. They are constantly in motion, taking steps forward in their development or slipping backwards (or simultaneously moving forward in some respects, backwards in others). Even a period of relative stasis or what looks like immobility really is a precursor to subsequent movement – be it in the direction of progress or decline.

In our approach to social investing we try hard to understand each organization's developmental pathway – where it has been, where it is when we first encounter it, where it seems headed. To help us in this work we have developed a rubric that illustrates stages of organizational development as we have come to understand them. It identifies six such stages from "Start Up" through "Expansion" and for each identifies reference points that indicate developmental priorities that, if accomplished, will move the organization to the subsequent stage.

However, it is important to underline that we do not see these developmental stages as fixed like rungs on a ladder or steps on a staircase. What this means is that we don't expect to find an organization that is a full embodiment of all the reference points that characterize a given stage. Rather, we look at the overall pattern that emerges from assessing these reference points and use them to understand an organization's developmental strengths and weaknesses, capacities and gaps. So the stages, while built up from reference points, are themselves reference points for understanding what an organization is like and where, it seems, it is heading. So when we describe an organization in terms of the stage that best characterizes it, it is as though we were taking a photograph and therefore have a frozen picture of it – but that static view is an artifact of the information we have at hand, and its analysis, and is not by any means a full description of the organization in totality and in motion.

What is the relevance of this rubric for our approach to finding, investing in, and supporting nonprofit organizations working with disengaged and disconnected youths and young adults?

Simply put, it provides a framework in terms of which to consider what might be gained from bringing a given organization into the CTOP portfolio, and then how to structure our financial and nonfinancial supports so as to help each grantee build out its capacities and thereby become more effective, more reliable, and more sustainable. In general, we understand that investments in organizations that are found towards the earlier stages of development will require longer to yield significant social returns on

investment (SROI) than those at the more mature stages, and consequently can be thought of as more expensive organizations in which to invest. While this is true, it is equally true that when such "high risk" investments do pay off in the long run, the SROI that emerges where none had been before – that is, the development of their ability to produce desired youth outcomes – is well worth the cost.

The rubric presented below is designed to help us use financial and nonfinancial supports to help organizations at all stages of development progress in the direction of maturity, and to help mature organizations evaluate and prove their impact on the young people they serve – and then to expand, if feasible, by serving more young people locally or replicating in new sites (or both).

As we already noted, each stage of development (shown in the rubric's vertical columns) is characterized by developmental reference points. We have selected those points which, in our view, indicate areas that are essential for nonprofit organizations to perform at high levels of quality and effectiveness. Thus in our day-to-day work with grantees we look for progress in terms of these reference points and how they develop as we move horizontally from column to column, from one stage of development to the next.

On the left-hand side of the rubric (which starts on the following page) we have selected "pillars of performance" from *The Performance Imperative*[1], a framework of seven pillars for strengthening organizations and improving their performance. It was developed by over fifty frontline practitioners, leaders, advocates, and evaluators working in the sector of nonprofit social services. Of those seven pillars we focus on five (Pillars 1, 2, 3, 4, and 6[2]) leaving organizational culture and external evaluation for relatively late in our work with the organizations in which we invest.

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[1] Refer to: https://leapambassadors.org/continuous-improvement/performance-imperative
[2] The Performance Imperative Pillars are: Pillar 1: Leadership; Pillar 2: Management; Pillar 3: Programs and strategies; Pillar 4: Financial health; Pillar 5: A culture that values learning; Pillar 6: Internal monitoring for continuous improvement; Pillar 7: External evaluation.

The CTOP Rubric for Assessing Stages of Organizational Development

Estimated stage transition time	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
	18-24 months	18-36 months	24 months	36 months	36 months	24-60 months	Indefinite

Performance Pillar 1: Leadership	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 1A: Executive Leadership *Selection Criteria.* CEO/ED • has a strong track record working with severely off-track and disconnected youth; • has relevant experience in youth development; • is known and highly respected by local people, leaders, organizations, and institutions.	There is a credible leader who is responsible for developing the core concept for creating social value for a target population.	CEO/ED • is aware of the need to build out the organization, and to clarify roles and responsibilities; • has strong ideas about how the organization needs to develop and the priorities it needs to adopt; and • is known by local community members in a positive light and has strong positive associations with local leaders.	CEO/ED is actively planning the development of key positions with clear roles and responsibilities to move the organization forward in its progress.	CEO/ED focuses on the development and execution of strategy and long-term planning, in partnership with the board and leadership team.	CEO/ED drives the organization's strategic direction and holds himself/herself accountable for achieving the organization's long-term strategic goals.	CEO/ED • holds himself/herself and the organization accountable for high performance in the achievement of key performance indicators (KPIs); and • is recognized publicly for his/her leadership and the organization's program quality, effectiveness, and results.	Leaders recruited for expansion sites • have successful track records of implementing and managing programs; • have good records of managing to KPIs; • understand and are able to drive organizational priorities; and • have sufficient knowledge of local contexts to meet local needs and forge local partnerships.

Performance Pillar 1: Leadership	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 1B: Board of Directors *Selection Criteria.* **The organization has a board that includes community members who are passionate about its mission.**	There is a small but reliable group of individuals who are supportive of the credible person and believe in the core concept they have for creating social value.	The board members • understand and are passionate about the mission and/or • want to advocate on the organization's behalf.	The CEO/ED and board chair begin developing roles and responsibilities of board members with regard to • approving strategy; • ensuring the organization's fiduciary health; and • hiring/firing and supervising the CEO/ED. They also have begun to identify gaps in key board competencies.	Board infrastructure and policies are being developed in response to understanding of board gaps.	Board undertakes formal and comprehensive board self-assessment and CEO assessment. Board regularly adheres to policy, fulfills their key fiduciary responsibilities, and sets goals in response to assessments.	Board composition reflects the community and target population being served, with continuous focus on executing responsibilities and meeting its goals.	Board members for expansion site are aligned to mission and strategic direction and can play a lead role in regional fundraising and advocacy efforts.
Element 1C: Diversity, Equity, and Inclusion *Selection Criteria.* **Leaders and board members are aware of the importance of DEI, including with respect to staff diversity and the client profile, and take active steps to improve it.**	All individuals involved in developing the core concept think about DEI as an important topic for the creation of social value.	CEO/ED and board members are aware of the importance of the representation of community diversity amongst staff and have the desire to take active steps to address it.	Leaders and board members are developing DEI-focused resources and practices, including recruitment strategies to diversify staff and board.	Leaders and board members prioritize the development of an inclusive culture and execution of new practices that are driving diversity in the composition of board and staff.	Leaders and board members set DEI goals and hold themselves and the organization accountable to achieving them.	Leaders and board members • continuously advance DEI goals within the organization and the partner institutions with which it is engaging; and • hold the organization accountable for engaging with other institutions and agencies to change inequitable practices.	Leaders and board members have fully developed plans and continuously advance DEI goals in the execution of expansion and with partner institutions.

Performance Pillar 2: Management	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 2A: Team Composition *Selection Criteria.* **The organization has differentiated management roles and responsibilities.**	The credible leader believes that a team of paid professionals are needed to create social value through the core concept they have for serving their target population.	The leader develops plan and rationale for team growth over time.	Recruitment processes are focused on mission critical staff for program delivery.	Mission-critical roles inclusive of executive team are being filled with qualified staff.	In response to refinements in program design and delivery, organizational structure is refined and roles are filled with qualified staff.	As program design is showing itself to be effective, organizational structure is stable, with performance managed effectively.	The new site leader fills mission-critical roles with qualified staff and works effectively to drive local performance in collaboration with central office.
Element 2B: Staff Development *Selection Criteria.* **Leadership has a desire but underdeveloped resources to train and develop staff to provide effective program delivery.**	The credible leader believes that training will be needed for those paid professionals to drive social value through the core concept.	The organization has identified staff training needs to support effective program delivery.	The organization has instituted staff training to support effective program delivery.	The organization is identifying necessary, evidence-informed competencies and program elements for achieving mission critical goals, and has adopted formal HR processes to achieve them.	The organization has at least one HR staff member with whom individual performance goals are set, and professional development is aligned with these priorities. The organization prioritizes full staff training in CBT.	The organization recruits, develops, and retains staff based on competencies and individual development needs that are mission critical.	The organization recruits, develops, and retains staff based on competencies and mission-critical individual development needs.

Performance Pillar 3: Program Design Informed by Evidence	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 3A: Target Population Alignment *Selection Criteria.* **The organization is focused on working locally with young people ages 14 to 26 who are severely off-track and/or disconnected.**	The credible leader can speak to the general profile and life barriers of a group they believe will benefit from the core concept they have for generating social value.	The organization is focused on working locally with young people ages 14 to 26 who are severely off-track and/or disconnected and is beginning to identify indicators that define its target population.	The organization is focused on working with young people and has identified indicators for recognizing youths who are severely off-track or disconnected, but has not formalized enrollment criteria using them.	The organization's target population is defined in terms of basic demographics and risk factors that are informed by review of its historical and current data and an assessment of the organization's capacity. The organization is using these indicators to manage enrollment in its core programming.	The organization's target population(s) are well defined by demographics and risk factors that are used for managing program enrollment. The organization recognizes when it is making exceptions to these enrollment criteria and manages its program(s) accordingly. The organization is planning or undertaking a Rapid Cycle Evaluation (RCE).	The indicators that the organization uses to identify and enroll members of its target population(s) in core programming are informed by well recognized research and accepted practitioner practices. The organization is planning or undertaking an implementation evaluation to understand how it is working with its target population in core programming, and the outcomes being achieved.	The organization's target population(s) are clearly defined and an implementation evaluation has documented that these definitions are being used operationally for enrollment purposes as adjusted to contextual needs.

Performance Pillar 3: Program Design	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 3B: Theory of Change *Selection Criteria.* **The organization has a clear mission and aims to achieve improvements in young people's lives and prospects.**	The credible leader can articulate outcome(s) for the target population that are relevant to the risks they face and the local context they navigate.	The organization is developing a mission statement and has begun thinking about its target population and the kinds of long-term and intermediate outcomes for which it will hold itself accountable.	The organization recognizes that it needs to develop a codified theory of change specifying target population, outcomes, and program design as informed by data and recognized good practices.	The organization is taking steps to develop a codified theory of change as it works to improve its program effectiveness for the youth that it serves.	The organization has a theory of change that meets the following criteria: 1) socially significant; 2) logically plausible; 3) doable within existing constraints; 4) measurable and monitorable; and 5) operational. The organization is planning or undertaking a Rapid Cycle Evaluation (RCE) to inform program learning and improvement.	The organization has a strong theory of change that supports youth in reaching outcomes. The organization is ready for and undertakes an implementation evaluation.	The organization has clear indicators and standards to drive implementation and replication of its theory of change, and systems and processes in place to operationalize these standards. The organization is planning, undertaking, or has completed an impact evaluation to understand the social value it is producing for target population enrollees.

Performance Pillar 3: Program Design	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 3C: Program Design *Selection Criteria.* **The organization is willing to use evidence in order to develop or refine its program design to improve outcomes.**	The credible leader has a clear view on what it takes to deliver services to the target population within the local context.	The organization is willing to develop or refine its program design to achieve its mission and desired outcomes. The organization recognizes the urgency of developing tools and processes to ensure all youth are served safely.	The organization is working on developing or refining its program model informed by data and good practices. The organization is developing and beginning to implement a safety plan informed by a safety audit of their building(s) and program management.	The organization is refining its program model based on what it is learning from performance data and developing active slot definitions. The organization has fully implemented a safety plan with accompanying tools and processes that ensures all youth and staff are served safely in its programs.	The organization is testing its program model and active slot definitions and refining these as needed while continuing to learn more about program outcomes.	The organization is delivering appropriate services at an effective dosage level to generate program outcomes for its target population.	The organization has clear indicators and standards for replicating its evidence-based program design, with refinements in response to local site variables.
Element 3D: Social Enterprise *Selection Criteria.* **The organization recognizes the value of transitional employment as a practice arena for developing the skills need to succeed in the workforce.**	The credible leader recognizes the value of transitional employment as a practice arena for developing the skills needed to succeed in the workforce.	The organization has clarity that a social enterprise providing transitional employment must operate in service of it social mission.	The organization is building transitional employment into its program design as a core component.	The organization is piloting the implementation of transitional employment and developing the policies and procedures needed to do so.	The organization is beginning to earn revenue via its social enterprise that supports the cost of transitional employment while operating transitional employment with a growing number of slots that supports developmental placement of youth.	The organization is operating transitional employment at a scale that allows it to place youth in a transitional employment slot as indicated developmentally without delay, and earning revenue that subsidizes +30% of the cost of transitional employment.	The organization is developing the systems and processes to expand the operations of its social enterprise to support implementation of transitional employment at an expansion site(s).

Performance Pillar 4: Financial Management	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 4A: Funding Model *Selection Criteria.* **The organization has a commitment to fundraising for current operational needs and future sustainability.**	The credible leader has a track record of seeking seed funding from a source outside of themselves and the group of committed individvuals supporting them.	Funding comes from internal sources or a small external source supporting basic program delivery.	Initial funding strategy supports current program model for service delivery.	The organization has access to some development expertise either internally or externally.	The organization has at least one development staff member who oversees grant writing and fundraising activities. The organization has a business plan that includes specific fundraising objectives and activities for each fiscal year.	A development team manages a robust fundraising approach through the use of a data management system suited for tracking and managing grants and contracts. A multi-year business plan is adopted that is designed to attain sufficient sustainable funding for all program delivery.	The funding model builds on the central office replication and funding strategy, and incorporates local funding sources and partners to drive service delivery in response to local site variables.
Element 4B: Financial Health *Selection Criteria.* **The organization maintains a budget that supports its yearly operation.**	The credible leader has the resources to support their activities.	Only programming costs are covered, with operating costs using program resources or requiring uncompensated staff time.	All programming and some operating costs are covered on an annual basis.	The organization has no operating deficit for the last three years, and its audits show no significant legal exposures.	The organization has Liquid Unrestricted Net Assets (LUNA) covering at least two months of all operating and program expenses.	The organization has no operating deficit for the last four years and LUNA covers at least three months of all operating costs.	The central office has no operating deficit for the last two years and LUNA covers at least three months of all operating expenses. The expansion site has all programming costs covered by multi-year external funding either directly or via pass through from central office.

Performance Pillar 4: Financial Management	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 4C: Financial Capacity *Selection Criteria.* **The organization actively improves its internal financial systems and expertise.**	The credible leader separates resources for the core concept from their personal finances.	Little to no formal management of finances exists. All support is provided by an external resource.	Access to financial expertise as needed (may be through a board member or fiscal sponsor). Limited financial management and reporting capacity internally.	The organization has at least one finance staff member overseeing management of core accounting functions; some financial reporting available to management and Board.	Financial management reports are generated and tools are used by lead program staff, executive team, and Board to inform program and business decisions. True-cost calculation estimations are in development.	Financial strategy is integrated with long-term strategic planning; CFO or C-suite finance executive in place; organization uses multi-year budgets. True-cost calculations are fully operational and are used to drive financial management of programs.	Central office staff provide support for expansion site and separate budget is built for expansion site management. Expansion site financial management is integrated into central office systems with appropriate siloing structures.

Performance Pillar 6: Internal Monitoring	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 6A: Digital Infrastructure *Selection Criteria.* **The organization actively seeks to use technology to improve how they operate and deliver services.**	The credible leader knows the national and local statistics on the target population barriers and existing life outcomes. The credible leader is generally aware of some research on services that are successful for overcoming the barriers the target population faces.	Paper forms are used more or less uniformly and data are maintained in hardcopy form	Digital devices are used mainly to transfer data from hard copy forms while the organization still relies on paper forms for data collection.	Frontline staff have access to digital devices for data entry and retrieval. An internal system is used for storing data in a centralized location for ease of access.	All frontline staff have dedicated devices for data entry and retrieval. Data are stored in a structured database that supports report generation of individual caseloads and whole program(s).	A robust performance management data system is used to capture all youth data across all programs in real time. The system can generate real time reports easily for use at all levels of the organization.	The expansion site and frontline staff have access to and use data in real time to monitor and support local service delivery.
Element 6B: Performance Management *Selection Criteria.* **The organization sees the value of using data to achieve the outcomes it sets for young people.**		Data collected are basic and often incomplete (e.g., limited to contact information), and primarily are used for reporting to funders and for maintaining contact with youths served.	Demographic and enrollment data are collected and reported on youth served.	In addition to demographic and enrollment data, the organization assesses risk factors and collects intermediate outcomes (for example, pre-test / post-test data).	Data are used to support youth progress against short-term outcomes and analyzed periodically to learn from the work and make refinements as indicated. To do this, frontline staff actively monitor the frequency and dosage of services provided.	Performance data are monitored daily to manage programs to achieve youth outcomes effectively. Internal teams are actively making adjustments indicated by the findings of an implementation evaluation.	The expansion site's back office needs are fully supported by the central office.

Performance Pillar 6: Internal Monitoring	Incubation Stage	Start Up Stage	Early Stage	Emerging Stage	Build Stage	Mature Stage	Expansion Stage
Element 6C: Data Capacity *Selection Criteria.* **The organization desires to use data internally through data-informed decision-making at all levels.**	The credible leader knows that tracking data is critical to delivering services to the target population.	Staff have basic data knowledge to support the transfer and management of information across all staff.	Data are reviewed when necessary for reporting and to support the refinement of the program model.	The organization has at least one data staff member committed to overseeing the organization's data system and performance management integrity.	Data are reviewed for programs regularly with all program staff and CEO/COO. This review is used to offer a broader view of program progress and to improve service delivery. The Board has a dedicated list of KPIs it monitors regularly along with program performance data.	A data team supports all internal data utilization for both organizational and program performance. It routinely analyzes performance data and leads data discussions for all program activities. The executive team uses data in all of its decision-making and discussions with the Board.	Established indicators and standards are used to monitor and manage implementation at the expansion site. The local site starts with a high level of data analysis and utilization for both organizational and program performance management.