

CTOP Rubric for Stages of Organizational Development Using Points of Reference

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, 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 six (Pillars 1, 2, 3, 4, 6, and 7) leaving improvements in organizational culture as the result of the work advanced in each of the other pillars.

Refer to: <https://leapambassadors.org/continuous-improvement/performance-imperative>

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.

Performance Pillar 1: Leadership

Element	Selection Criteria	Incubation 18-24 months	Start Up 24 months	Early 24 months	Emerging 36 months	Build 36 months	Mature 24-60 months	Expansion Indefinite
1A: Executive Leadership	<p>CEO/ED</p> <ul style="list-style-type: none"> • 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. 	<p>There is a credible leader who is responsible for developing the core concept for creating social value for a target population.</p>	<p>CEO/ED</p> <ul style="list-style-type: none"> • 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. 	<p>CEO/ED is actively planning the development of key positions with clear roles and responsibilities to move the organization forward in its progress</p>	<p>CEO/ED focuses on the development and execution of strategy and begins engaging in longer-term planning, in partnership with the board and leadership team.</p>	<p>CEO/ED drives the organization's strategic direction and holds himself/herself accountable for achieving the organization's long-term strategic goals.</p>	<p>CEO/ED</p> <ul style="list-style-type: none"> • 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. 	<p>Leaders recruited for expansion sites</p> <ul style="list-style-type: none"> • 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.
1B: Board of Directors	<p>The organization has a board that includes community members who are passionate about its mission.</p>	<p>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.</p>	<p>A board of directors is formed in conjunction with creating a formal legal structure.</p> <p>The board members</p> <ul style="list-style-type: none"> • understand, are aligned on, and are passionate about a structured, operational mission and/or • want to advocate on the organization's behalf. 	<p>The CEO/ED and board chair begin developing actionable roles and responsibilities of board members, officers, and standing committees with regard to</p> <ul style="list-style-type: none"> • approving strategy; • ensuring the organization's fiduciary health; and • hiring/firing and supervising the CEO/ED. <p>The CEO/ED and board chair have begun to identify gaps in key board competencies including those that are reflective of the organization's service model.</p>	<p>Board infrastructure and policies are being developed in response to understanding of board gaps.</p> <p>Board governance functions evolve to support sustainable, impactful program delivery, monitoring, and assessment.</p> <p>A formal board succession and recruitment planning process that is responsive to board competency gaps is developed.</p>	<p>Board regularly adheres to policy and fulfills their key fiduciary responsibilities.</p> <p>Officers and standing committees are leading the strategic and financial stewardship of organization, actively driving long-term strategic planning on a 3-5 year time horizon.</p>	<p>Board composition reflects the community and target population being served, with continuous focus on meeting key performance indicators (KPIs) for financial health as well as program performance and growing program size.</p>	<p>Board members for expansion site are aligned to mission and strategic direction and can play a lead role in regional fundraising and advocacy efforts.</p>
1C: Diversity Equity and Inclusion	<p>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.</p>	<p>All individuals involved in developing the core concept think about DEI as an important topic for the creation of social value.</p>	<p>CEO/ED and board members are aware of the importance of the representation of community diversity amongst staff and board and have the desire to take active steps to address it.</p>	<p>Leaders and board members are developing DEI-focused resources and practices, including recruitment strategies to diversify staff and board.</p>	<p>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.</p>	<p>Leaders and board members set DEI goals and hold themselves and the organization accountable to achieving them.</p>	<p>Leaders and board members</p> <ul style="list-style-type: none"> • 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. 	<p>Leaders and board members have fully developed plans and continuously advance DEI goals in the execution of expansion and with partner institutions.</p>

Performance Pillar 2: Management

Element	Selection Criteria	Incubation 18-24 months	Start Up 24 months	Early 24 months	Emerging 36 months	Build 36 months	Mature 24-60 months	Expansion Indefinite
2A: Team Design and Composition	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 a plan and rationale for team growth over time and begins to implement it, with key leadership roles beyond the CEO/ED as well as backbone roles for day-to-day operations created and filled.	Team growth is focused on mission critical frontline staff for program delivery and the expansion of leadership team. Creation of competency based job descriptions to inform team growth.	Mission-critical roles are filled with qualified staff. Rates of turnover among frontline staff are stabilizing, and the organization's middle management is being built out.	In response to refinements in program design and delivery, the organizational structure is refined, senior level positions are built out to support strategic planning, and new roles are filled with qualified staff.	The organization has a c-suite leadership team, with an organizational structure and team composition that is largely stable.	The new site leader fills mission-critical roles with qualified staff and works effectively to drive local performance in collaboration with central office.
2B: Staff Development	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 execute core functions and support effective program delivery. The organization prioritizes staff training in CBT.	The organization is instituting staff training to execute core functions and support effective program delivery, as well as support the professionalization of its staff. The organization's staff has been trained in CBT.	The organization is identifying necessary, evidence-informed competencies for achieving mission and has adopted formal processes to support staff in developing them. The organization has trained internal CBT coaches to ensure fidelity and sustainability in CBT skills delivery.	The organization has at least one internal HR staff member who manages the process of setting performance goals, assessing performance relative to competencies, and driving professional development aligned with priorities.	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.

Pillar 3: Program Design and Implementation

Element	Selection Criteria	Incubation 18-24 months	Start Up 24 months	Early 24 months	Emerging 36 months	Build 36 months	Mature 24-60 months	Expansion Indefinite
3A: Target Population Alignment	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 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'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.
3B: Theory of Change	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 has a strong theory of change that supports youth in reaching outcomes.	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.
3C: Program Design	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. The organization develops and operationalizes an active slot definition. 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 is continuing to refine design and implementation of its program as needed based on learning from data. The organization has developed and implemented a more rigorous active slot definition.	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.
3D: Social Enterprise	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 its 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 subsidizes 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).

Pillar 4: Financial Management

Element	Selection Criteria	Incubation 18-24 months	Start Up 24 months	Early 24 months	Emerging 36 months	Build 36 months	Mature 24-60 months	Expansion Indefinite
4A: Funding Model	The organization has a commitment to fundraising for current operational needs and future sustainability.	<p>The credible leader has funding to cover initial expenses associated with beginning to build or pilot programming from internal sources or small external source(s).</p> <p>Much of the support may be in-kind, services and/or goods, or provided by volunteers.</p>	<p>Funding comes from a small group of individuals and/or limited institutional funders.</p> <p>Funding supports basic and limited program delivery.</p>	<p>Development activities are driven by the executive leader and/or board members.</p> <p>Initial funding strategy supports current programming needs and is expanded beyond one key source.</p> <p>Basic fundraising tools and systems are being used.</p>	<p>The organization has access to paid development expertise either internally or externally, beyond its leader and/or board members.</p> <p>The organization is working intentionally to diversify and grow its revenue.</p> <p>Systems exist for managing funding relationships and reporting, and the organization is preparing for new potential funder compliance requirements.</p>	<p>The organization has at least one dedicated development staff member who oversees fundraising and is starting to specialize based on the revenue model.</p> <p>The organization has a business plan that includes specific fundraising objectives and activities for each fiscal year.</p> <p>The organization is developing the capacity and systems to understand its true costs and incorporate this information into its fundraising appeals.</p>	<p>A development team manages a robust fundraising approach through the use of a data management system suited for tracking and managing complex grants and contracts.</p> <p>Diversified, stable funding streams exist, with access to working capital through reserves or line of credit.</p> <p>An operational multi-year business plan is designed to attain sufficient sustainable funding for all program delivery.</p> <p>Reliable true cost information is readily available and used to drive decision-making and fundraising strategy.</p>	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.
4B: Financial Health	The organization maintains a budget that supports its yearly operation.	The credible leader's activities are limited to the extent of resources.	<p>Only programming costs are covered, with some or all staff likely employed on a contract-basis, with operating costs using program resources and/or requiring staff time that is uncompensated, along with time of volunteers including board members.</p> <p>Cash balances is the only financial health indicator used because others are difficult or infeasible to calculate.</p> <p>The organization undertakes an audit readiness assessment.</p>	<p>All programming and some operating costs are covered annually and the organization is moving away from employing staff on a contract-basis.</p> <p>Cash on hand and operating margin are the primary indicators used to understand financial health.</p> <p>The organization prepares for and undertakes a full external audit.</p>	<p>All programming and operating costs are covered on an annual basis.</p> <p>The organization has an evolving focus on balance sheet health and intentional assets management.</p> <p>Liquidity Unrestricted Net Assets (LUNA) is now tracked as an important financial health indicator.</p> <p>The organization's audit shows no legal exposures or going concerns.</p>	<p>The organization has defined a relevant set of financial health KPIs and targets appropriate for its operating model and proactively manages its finances relative to those targets.</p> <p>The organization's target is for LUNA to cover at least two months of all operating costs.</p>	<p>There is no ongoing structural deficit, and organization budgets for annual operating surpluses.</p> <p>LUNA covers at least three months of all operating costs.</p>	The expansion site has all programming costs covered by multi-year external funding either directly or via pass through from central office.
4C: Financial Capacity	The organization actively improves its internal financial systems and expertise.	The credible leader separates resources for the core concept from their personal finances.	<p>There is no dedicated internal finance team member and little to no formal management of finances exists, with support outsourced and/or provided by volunteers and focused at the transactional level.</p> <p>A very basic system is used to track income and disbursements.</p>	<p>Limited financial management capacity internally, and access to financial expertise may be through a board member or otherwise outsourced.</p> <p>Financial reporting may still be on a cash basis, and is done ad hoc and/or manually prepared.</p> <p>Basic systems are in place to track revenue and expenses.</p>	<p>The organization has at least one finance staff member overseeing management of core accounting functions, working with specialized vendors if outsourcing of some functions continue.</p> <p>Planning for continued growth of internal finance team takes the funding model and compliance needs into consideration.</p> <p>The organization has fully transitioned to accrual-basis accounting, with systems to track and manage financial information.</p> <p>Some financial reporting is available to management and Board.</p>	<p>The organization has a Finance Director who can operate in a strategic capacity.</p> <p>Timely financial reports are generated and used by lead program staff, management, and Board to inform program and business decisions.</p> <p>The organization uses multi-year budgets for strategic planning.</p> <p>Finance systems and technology are being customized to meet the organization's evolving information needs and compliance requirements.</p>	<p>The organization has a CFO or C-suite finance executive in place, with finance roles clearly defined and specialized staff in certain functional areas, in a team design that acknowledges the different levels of financial management (strategic, managerial, and transactional).</p> <p>The organization uses multi-year financial modeling for scenario-planning, with finance strategy integrated with organizational strategic planning.</p>	<p>Central office staff provide support for expansion site and a separate budget is built and managed for expansion site.</p> <p>Expansion site financial management is integrated into central office systems with appropriate siloing structures.</p>

Pillar 6: Internal Monitoring

Element	Selection Criteria	Incubation 18-24 months	Start Up 24 months	Early 24 months	Emerging 36 months	Build 36 months	Mature 24-60 months	Expansion Indefinite
6A: Digital Infrastructure	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.	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.
6B: Performance Management	The organization sees the value of using data to achieve the outcomes it sets for young people.	The credible leader is generally aware of some research on services that are successful for overcoming the barriers the target population faces.	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 short-term, intermediate, and long-term outcome data as well as at least some dosage delivery 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, staff actively monitor the dosage of services provided.	Performance data are monitored daily, and analyzed on a monthly, quarterly, and annual basis, to manage program delivery to achieve youth outcomes effectively as well as in furtherance of continuous program improvement.	The expansion site's back office needs are fully supported by the central office.
6C: Data Capacity	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.

Pillar 7: External Evaluation

Element	Selection Criteria	Incubation <i>18-24 months</i>	Start Up <i>24 months</i>	Early <i>24 months</i>	Emerging <i>36 months</i>	Build <i>36 months</i>	Mature <i>24-60 months</i>	Expansion <i>Indefinite</i>
7A: Evaluation Readiness	The organization is open to learning about how external evaluation can contribute to improving effectiveness.			The executive team recognizes the role external evaluation plays in advancing organizational learning and improvement, and that its internal performance management system will also function to enable external evaluation.	The executive team is developing their understanding that there are different types of external evaluations for different purposes. The organization begins developing the internal capacity to engage in external evaluation and plans and undertakes a Rapid Cycle Evaluation (RCE) to inform learning and improvement.	The organization is preparing to engage in an external evaluation readiness assessment.	The organization has completed an external evaluation readiness assessment and is planning and undertaking an implementation evaluation and outcomes study to understand the fidelity of its program implementation and the outcomes being achieved.	The organization is actively making adjustments indicated by its implementation evaluation findings. The organization is considering further external evaluation to understand its impact, in both its original and expansion sites.