

# The Scaling of **The Encore Fellowships Network**

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March 2012



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## Executive Summary

In just 18 months, The Encore Fellowships Network™ (EFN) has grown from a single pilot program involving 10 Fellows and nine nonprofits in California's Silicon Valley to a network of 120 organizations operating in 12 metropolitan areas nationwide. Civic Ventures – a think tank on baby boomers, work, and social purpose – created The Encore Fellows Program as an experiment. It wanted to test whether structured transitional pathways – in the form of six- to-12 month fellowships - could help experienced professionals at the end of their midlife careers find high-impact roles in social purpose organizations. To see if a well-designed fellowship program could facilitate the transition and provide value to nonprofits, Civic Ventures launched a one-year pilot program.

The pilot, sponsored by the David and Lucile Packard Foundation and HP, paired a small group of former executives (i.e., the Encore Fellows) with nonprofits in need of their specialized talent. Civic Ventures designed and managed the program, paying special attention to the quality of the matching process and the learning community created to ease the Fellows' transition into the nonprofit environment.

The program well exceeded expectations. The Encore Fellows were thrilled with their experience and the nonprofit executives raved about the impact of their new talent. The discussion quickly turned to expansion.

Excited about the program's potential, the Fellows – and the funders – encouraged Civic Ventures to expand beyond Silicon Valley. They believed that replicating the Encore Fellows Program in other locations would make a positive difference not only for individual participants, but for entire communities, cities, and the nation as a whole. Even so, Civic Ventures remained cautious. The think tank recognized that many highly effective programs failed to live up to expectations when replicated in new contexts.<sup>1</sup> True, expanding the Fellows Program could significantly increase its impact. But, efforts to bring social programs to scale often met with mixed success.

After a thorough review of its strategic options, Civic Ventures decided to move forward with the expansion using an innovative *network scaling model*. The model, which relied heavily on cross-sector collaboration, scrapped the notion of a traditional, centrally-run program office with replicated sites and opted instead for an approach that emphasized partnership, distributed responsibility, and shared ownership among a set of otherwise independent entities.

Specifically, Civic Ventures sought to speed the expansion of the Fellows Program by partnering with other organizations to form a network of

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<sup>1</sup> See Summerville, Geri and Raley, Becca (2006). Laying a Solid Foundation: Strategies for Effective Program Replication. Public/Private Ventures.

collaborating, yet autonomous programs – The Encore Fellowships Network – with Civic Ventures operating as “the hub”. As an incentive to participate in the network, the hub provides a well-documented, fully-vetted program model that makes it possible for new members to design and launch programs tailored to the needs and interests of their local communities. New operators find value in offering the Encore Fellows Program for a number of reasons:

- It complements the goals and initiatives they already have in place
- It increases their engagement with current constituents
- It raises their visibility in the community, and
- It helps to build new relationships with local businesses, foundations, and other nonprofits

Although the programs operate independently, they work together through the network to support a common mission, consistent program standards, and a unified brand identity. Each program is also responsible for generating its own funding, which helps to diversify the funding base and strengthen the network’s sustainability.

## The Power of Networks

While networks are hardly new to the social sector, they have become an increasingly popular way to further social change across a broad range of causes. Civic Ventures believed that creating a network to scale the Encore Fellows Program would enable faster growth, greater reach, and a more distributed funding base than more traditional models would allow. In addition, it reasoned that a well-designed network would be able to capitalize on the natural variation that occurs as organizations inevitably modify programs to fit their individual needs.

To properly understand the lessons of the EFN’s experience, it is important to recognize that Civic Ventures chose to create a specific type of network – a *production network*.<sup>2</sup> While some networks are formed solely to connect and improve information flows, and others are designed primarily to create a shared identity, production networks are built to produce specific outcomes or “products”, such as the development and replication of a promising new social program. The distinction is important for two reasons. First, because production networks are all about producing well-defined outcomes, they typically require more extensive coordination than other types of networks. As a result, they can be more complicated to set up and manage. Second, the

*The network’s unique structure, systems, and processes have enabled the Fellows Program to scale by a factor of ten while Civic Ventures’ investment has remained relatively constant.*

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<sup>2</sup> For a detailed discussion of different types of networks and their distinctions, see *Net Gains: A Handbook for Network Builders, Version 1.0.* (2006) by Peter Plastrik and Madeleine Taylor.  
[http://www.arborcp.com/articles/NetGainsHandbookVersion1.pdf?lt=net\\_gains\\_download](http://www.arborcp.com/articles/NetGainsHandbookVersion1.pdf?lt=net_gains_download)

distinction has implications for how relevant the EFN's practices may be to other network builders. Organizers hoping to create networks for other purposes (e.g., connectivity or alignment) may gain useful insight from the EFN's experience, but may find the specific coordination mechanisms less relevant to their goals. Organizers aiming to build production networks – especially those designed to replicate specific programs or services – may discover that many of the EFN's practices can be adapted directly to their own efforts. What makes these practices particularly effective for production networks is that they work to coordinate member behavior while simultaneously providing value.

For example:

- A well-defined operating model and technical support helps program operators design, organize, and launch new programs that uphold the standards of the network while also satisfying the needs of the local community
- Centralized marketing (including brand development and media coordination) provides greater visibility for new programs and enhances their credibility
- Online communication platforms and automated tools enable systematic program monitoring and evaluation while also streamlining the logistics of operating a high-quality talent program (e.g., automated application processes, talent matching tools)

## Results

Still in its early stages, Civic Ventures' network scaling strategy appears to be working. Started as a mere test pilot with one program operator and two funders, as of late 2011 the network includes 10 operators, 90 nonprofit work hosts, and 20 funders. To date, the EFN has matched 100 former private sector professionals with high-impact roles in sectors ranging from healthcare to hunger relief to education and the environment. When measured in terms of service hours, these numbers translate into more than 100,000 hours of nonprofit capacity building. The expansion effort has not only raised awareness of the encore concept (i.e., that experienced adults in the second half of life can contribute significantly to the social good), it has also stimulated engagement among a much broader community of participants. In less than 18 months, more than 250 social-purpose organizations have applied to host Fellows and nearly 2,000 people have either applied for Fellowships or asked to apply when programs become available in their communities.

With a significant increase in programs already under their belt, the EFN organizers project that most of the existing programs will double in size in 2012 and many new programs will launch, creating approximately 200 new Fellowships nationwide. Even more impressive, the EFN appears to be achieving this growth while keeping program quality high and infrastructure costs low and flat. Without question, the EFN has

benefited immensely from the assets provided by Civic Ventures' existing infrastructure. In addition to financial services, legal, and administrative support, Civic Ventures' thought leaders and renowned media team have elevated the program with key stakeholders, developed national media attention, and provided print and online marketing collateral. These resources have been critical to the fledgling network's success.

Equally important, the EFN has made it possible for Civic Ventures to gain far greater leverage from its existing assets. The network's unique structure, systems, and processes have enabled the Fellows Program to scale by a factor of ten while the Civic Ventures' investment has remained relatively constant. Even as the network expands dramatically, the EFN hub continues to operate with no more than two full-time equivalent employees, no central office space, only part-time support staff, and simple off-the-shelf technology (e.g., Salesforce.com) that has kept IT costs to a minimum.

## Building a Production Network: Lessons Learned

It may be tempting to attribute much of the EFN's early success to the power of networks, but not all networks achieve such encouraging results. Networks can follow different paths, sometimes lose sight of their goals, or simply evolve without direction. This prompts two questions: What allows some networks to become more effective than others? And, specifically, what factors have contributed to Civic Ventures' early success in building a production network to scale the Encore Fellows Program?

To answer these questions, this case study examines the design and implementation practices used to establish and grow The Encore Fellowships Network through its first two years. In addition to documenting specific practices in the case study, the appendices provide a checklist for those interested in developing their own network scaling strategy. Importantly, the study highlights four themes that social entrepreneurs would be wise to consider when using production networks to expand their social impact.

1. **The fundamental challenge in building a production network is maintaining consistent program standards while leveraging the network's potential for growth, learning, and innovation.**

Network builders must blend deliberate practices with emergent processes to create a dynamically aligned system that evolves and recalibrates as the network grows.

2. **Network scaling strategies require considerable upfront planning, systematic evaluation, and central coordination during a production network's initial formation and early growth.**

Because production networks require the coordination of joint action among otherwise autonomous organizations, it is critical that network members develop a shared understanding of the program they are trying to scale – its purpose and essential design features – as well as the brand they are trying to create. While these outcomes might also be achieved through more emergent processes, such processes typically take considerably longer to gain momentum. They also require significant process consultation and may ultimately deviate from the founding members’ original vision and desired brand identity. To address these risks, the EFN organizers developed a network scaling strategy that coupled deliberate upfront planning and systematic processes with a deep respect for entrepreneurial initiative, flexibility, and trial and error learning.

**3. Contrary to popular belief, deliberate strategic planning and formal processes do not always contradict the dynamic, bottom-up creativity associated with networks.**

Once systems and processes are in place to ensure consistency and direction, network organizers can devote more of their attention to nurturing and facilitating bottom-up innovation and entrepreneurial initiative.

**4. To leverage the potential of production networks for scaling social change, network builders must “lead then cede”.**

Network builders should consider taking a strong leadership role when initially forming a production network to establish direction and ensure an efficient, cost-effective launch. But they must also be willing to cede control as the network evolves. Indeed, one of the trickiest aspects of managing a production network’s early development is encouraging and aligning leadership throughout the network, rather than simply defaulting to a centralized leadership structure. Though initially network builders may struggle to get members to assume greater responsibility, distributed leadership is essential for achieving the unique benefits that can make a network scaling strategy particularly effective. These include faster growth, rapid diffusion of innovation, greater financial stability, and resilience.

*If it continues to meet its growth projections, by 2013 the Encore Fellowships Network will be one of the nation’s largest programs bringing experienced private-sector professionals to the nonprofit talent market.*



The case study concludes by identifying specific difficulties that the EFN organizers grappled with as they launched the network, including several that continue to present challenges. These include getting network members to take responsibility for the network's long-term governance and sustainability, balancing the need for network-wide coordination with the need for local flexibility, and knowing how much growth and variation the network can handle at different points in its evolution and just how much is needed to achieve the organizers' social change objectives.

Despite the inevitable challenges, the EFN has made enormous strides in its first two years. It has managed to meet aggressive growth targets while maintaining high quality standards and minimizing costs. With 100 Fellows providing professional services across twelve metropolitan regions, the network is already larger than many more established programs. If it continues to meet its growth projections, by 2013 the Encore Fellowships Network will be one of the nation's largest programs bringing experienced private-sector professionals to the nonprofit talent market. It will also provide strong support for Civic Ventures' core proposition – that experienced older adults represent a significant and valuable workforce for social good.

# 1. Introduction: Learning From a Network Innovator

To promote learning among social change agents interested in building or improving their own networks, this case study examines the evolution of The Encore Fellowships Network from 2009 to the end of 2011. The Encore Fellowships Network (EFN) is a classic production network designed to replicate and expand a successful pilot program with a strong social change agenda. As a production network, the EFN's mission is not only to connect and align people with similar interests, but to coordinate the actions of people and organizations with many diverse interests, helping them to design and implement new Encore Fellows Programs in communities and organizations across the country. Drawing on more than 30 interviews with network participants, survey data, and hundreds of pages of internal documents,<sup>3</sup> the study describes important elements of the EFN's scaling model, including the strategies and practices used to build, organize and manage its early growth and development.

Although the story of the EFN is still unfolding, its organizers have developed an innovative scaling approach designed to leverage the unique power of networks. Because all networks take time to form, the scaling strategy – like the network – was designed to evolve over time. In the earliest stages, the focus was on value creation: Building the network assets and capabilities needed to support and sustain the network's future growth. The organizers embedded value directly into the network's infrastructure, creating systems, structures, processes and a common identity that served to guide and monitor member behavior as they set out to design and implement new programs. These deliberate processes not only helped to ensure that programs met consistent standards; they also made it possible for organizers to capitalize on the entrepreneurial initiative that distinguishes networks from more hierarchical forms of organizing.

*The Encore Fellowships Network (EFN) is a classic production network designed to replicate and expand a successful pilot program with a strong social change agenda.*

Once structured systems and processes were in place, the organizers could turn their attention to other ways of building the network's value and stimulating growth. Midway into the network's second year they began to invest more time in activities that could not be specifically planned out in advance. These more emergent processes included developing strategic partnerships, learning from the entrepreneurial initiative of their members, and building community throughout the network. Because of the infrastructure they had established, the network organizers could now be both systematic *and* opportunistic in pursuing the network's core mission.

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<sup>3</sup> This case study is descriptive and relies primarily on interviews with key stakeholders and data provided by Civic Ventures and the EFN organizers. The purpose of the study is to document the EFN's design principles, strategy and implementation, in addition to lessons described by the organizers or gleaned through stakeholder interviews. The study is not based on a formal evaluation of the network's performance, largely because the network is still in its formative stages. As such, many of the study's interpretive assessments must be considered preliminary until additional data becomes available.

The case study documents the *what, why, and how* of the EFN's approach, placing special emphasis on the *how* for practitioners looking for tangible ways to build a robust production network. It also discusses the logic behind many of their decisions and strategies so that social purpose leaders with different types of programs and different objectives can assess whether (and how) the EFN's practices might be adapted to fit their particular needs and circumstances.

Finally, the study examines the challenges and tensions that have emerged during the network's first 24 months. While some of these tensions may be the result of actions taken by the organizers, many are simply an inherent part of network life. Other network builders would be wise to consider how these tensions are likely to play out in their own networks: How they choose to manage them will undoubtedly affect the network's impact and long-term survival.<sup>4</sup>

## 2. A Successful Pilot: Designing the Encore Fellows Program

The 2009 independent evaluation confirmed what the participants already knew: The Silicon Valley Encore Fellows pilot had been “remarkably successful at achieving [its] goal.”<sup>5</sup> The innovative fellowships program had successfully created a transitional pathway that seemed to help experienced employees exiting midlife careers in the private sector find high-impact positions in the nonprofit arena. Based on interviews with key participants and extensive survey data, the evaluation concluded that the Encore Fellows pilot had achieved its three primary objectives:

- 1) It had demonstrated that experienced private-sector professionals could effectively apply their skills to challenges facing nonprofit organizations,
- 2) It showed that professionals could successfully make the transition from a for-profit to not-for-profit culture, and
- 3) It made a strong case that professionals leaving midlife private-sector careers could provide long-term value to social purpose organizations when placed in significant capacity-building assignments.

The pilot program featured seven components and a unique structure consisting of Fellows, nonprofit work hosts, funders, and a central program operator (Civic Ventures served as program operator for the pilot; see Figures 1 and 2 for program components and roles). Fellowship candidates were professionals or executive-level employees who had recently left their corporate careers and were interested in applying their skills to social issues in their local communities. Potential candidates applied for Fellowship opportunities by completing a statement of interest that included their professional

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<sup>4</sup> Provan, Keith and Patrick Kenis, “Modes of Network Governance: Structure, Management, and Effectiveness,” *Journal of Public Administration Research and Theory*. (2007) Vol. 18: 229-252.

<sup>5</sup> LFA Group, *Silicon Valley Encore Fellows Pilot Evaluation: Executive Summary*, May 2010.

experiences, skill sets, and community involvement. For the pilot effort, these individuals were primarily recruited through HP and Civic Ventures.

In addition to recruiting high-quality applicants, Civic Ventures also carefully screened nonprofit organizations to identify work hosts where Fellows could make a significant impact. Specifically, Civic Ventures looked for influential leaders in the sector who demonstrated a history of innovation that indicated that they would value experienced talent. Because the Encore model was predicated on the belief that Fellows would influence organizations at the very highest level, Civic Ventures also made certain that all potential work hosts had a strong and stable leadership team.<sup>6</sup>

Once a set of Fellowship candidates and work hosts were successfully identified, the next step was successfully matching candidates to the nonprofits that could benefit from their specific skills and talents. The pilot program used a “high-touch” matching process to ensure the best possible fit between Fellows and their work hosts. Civic Ventures remained heavily involved in the selection process throughout, facilitating the flow of information from nonprofit to Fellow and visa versa.

Once a match was made, Fellows began their engagement. Two types of support were designed into the process to make a Fellow’s transition a little smoother. First, work hosts were asked to develop an onboarding process to orient Fellows to their new work environment and to help them socialize into the nonprofit culture. In addition to onboarding processes, Fellows were also supported by a learning community of other newly-placed Fellows who came together to share their experiences. Through this “cohort experience,” Civic Ventures brought together all ten Fellows each month to learn from one another, to meet with other nonprofit executives, and to develop a deeper understanding of the sector in which they were now operating. The monthly meetings provided a more structured orientation to the nonprofit sector and allowed Fellows to share their challenges and important project lessons.

Throughout the entire pilot year, Civic Ventures assumed the role of program operator and acted as the primary intermediary. Not only did it convene corporate and nonprofit sponsors and manage the selection and matching processes, it also designed and managed the initial cohort experience and provided ongoing support to both Fellows and nonprofits. In addition, it also provided transitional support to Fellows after their engagements to help anyone interested in continuing their encore careers find their next opportunity.

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<sup>6</sup> LFA Group, *Civic Ventures: Evaluation of the Silicon Valley Encore Fellows Pilot*, May 2010.





Figure 1: Encore Fellows Program Design Components

<b>Components of the Encore Fellows Program Model</b>
<p><b>High Impact Engagements</b> – Encore Fellows engage in high-quality, high-impact nonprofit assignments that are intended to fulfill critical needs and build organizational capacity. Fellows bring significant transferable skills to their assignments.</p>
<p><b>Meaningful Durations</b> – Encore Fellowships last six months (full-time) to 12 months (part-time) with the goal of providing enough time to allow fellows to become integrated into their nonprofit work hosts and achieve meaningful impact. Fellows and nonprofits decide on a schedule that suits both of their needs and interests.</p>
<p><b>Compensation</b> – Encore Fellows receive a stipend of \$25,000<sup>7</sup> paid by corporate and philanthropic sponsors and participating work hosts. The stipend reinforces the value of the work that Fellows perform and facilitates commitment from both the Fellow and the work host.</p>
<p><b>Selection and Matching of Fellows and Social Purpose Organizations</b> – Fellows and nonprofits are matched according to specific criteria designed to maximize the benefits of the experience for both parties. The Fellowships target highly-skilled individuals who are exiting their midlife careers and looking to transition into the nonprofit sector. The matching includes targeted outreach to participants, quality assessment of skills and skill needs, and high-involvement matching activities.</p>
<p><b>Onboarding</b> – Fellows are provided with guidance and support during an initial onboarding period. Through this process, Fellows and nonprofits work together to define the Fellows’ projects. The goal is to orient and integrate Fellows so that they quickly become productive members of their work host organizations.</p>
<p><b>Learning Community</b> – Purposeful development of a “cohort experience” whereby all Fellows in a given year convene regularly to share experiences, hear from experts in the nonprofit community, and gain a more structured understanding of the sector. As the cohort experience has evolved, it includes a mix of peer-to-peer learning, professional development, and mentoring from alumni Fellows.</p>
<p><b>Program Operator</b> – An involved, attentive organization that manages both the big picture issues – including bringing in funders and corporate sponsors – and the details and relationships involved in running a high-quality program. The program operator facilitates the matching process, organizes regular convenings, and provides transitional support to Fellows interested in pursuing encore careers. Civic Ventures served as the program operator for the pilot effort and continues to serve in the role for the Silicon Valley and NY/DC showcase programs.</p>

Source: EFN Internal Documents

<sup>7</sup> As the program has expanded, stipends vary somewhat by region. Stipends are required to stay within a range of \$12,500 to \$60,000 total compensation annually. As of 2011, all stipends fall within \$20,000 - \$35,000.

Figure 2: Encore Fellowships Operating Model

Roles in an Encore Fellows Program			
Symbol	Role	Definition	Common Sources
	Program operator	Social-purpose organization that is responsible for program design, operation and evaluation, and funding generation	Community organizations Nonprofits Professional associations Hybrid ventures
	Work hosts	Social-purpose organizations that host Fellows and ensure high-impact work assignments	Funder's grantees Operator's network members Open market
	Fellows	Skilled, experienced professionals with a desire to "give back"	Funder's workforce Professional associations Open market
	Funders	Corporations, foundations, nonprofits and others that provide financial or other support	Work hosts Grant makers Other corporations Public funds
	Hub	Social-purpose organization that defines core model and brand; provides tools, resources and learning spaces	Mission-aligned organization

Source: EFN internal documents

According to the independent evaluation, all of the Fellows and nonprofit managers participating in the pilot were satisfied or very satisfied with their experience. In fact, almost 90% reported being very satisfied.

The Fellows program changed both attitudes and behavior. After hosting a Fellow, nonprofit leaders were more likely to value private-sector experience and the relevance of that experience to solve nonprofit challenges. Why? Because the Fellows made a difference. They brought new skills, different perspectives, and a wealth of experience that improved the capabilities of their host organizations. They created new and better strategies, served as mentors and coaches, managed projects, established new systems, and facilitated major change initiatives.<sup>8</sup> Because the Fellows made such a positive and lasting impact, nonprofit leaders reported that after participating in the program, they were more likely to hire a former corporate executive, even if the executive lacked nonprofit work experience.

The pilot program also influenced the Fellows' attitudes about pursuing encore careers. Working directly with senior leaders in the public sector, the Fellows gained greater respect for the challenges facing the sector. They developed a better understanding of the nonprofit work culture and a newfound appreciation for their leaders and staff. Fellows began to see nonprofits as high-performance, results-driven organizations trying

<sup>8</sup> LFA Group (2010), *Ibid.*

to effect change in resource-strapped environments.<sup>9</sup> Much to their delight, they also discovered that many of the skills and abilities they had developed in the corporate environment could be productively applied to addressing problems in the nonprofit world.

It is commonly said that actions speak louder than words. So it is impressive that in addition to changing attitudes, the Fellows' experience also brought about important changes in behavior. For example, eight out of the ten nonprofits serving as work hosts offered Fellows continuing paid roles. Likewise, all ten Fellows ultimately pursued positions in the social sector. In the end, the pilot demonstrated that the Encore Fellows Program could facilitate encore careers by 1) helping experienced talent find the right opportunities, 2) making their transitions smoother, and 3) changing the culture of nonprofits to be more receptive to their skills and expertise.

Given its mission to make Encore careers a powerful new norm, Civic Ventures viewed these changes in attitude and behavior as both validating and encouraging.

### 3. A New Dilemma: Does Scaling Make Sense?

While Civic Ventures was thrilled with the pilot's success, the positive results introduced a new dilemma: What should they do next? Because the program had been labeled a pilot – and now a success – most participants expected that it would continue and grow.

The Fellows, in particular, lobbied for expansion. They argued that Civic Ventures should scale the program quickly to take advantage of the “encore demographic” – a period of about 20 years during which millions of aging baby boomers would approach the end of their midlife careers. The Fellows, all former corporate managers, felt that an aggressive growth plan was essential if Civic Ventures hoped to capitalize on the dramatic changes that were about to take place in the labor market.

#### Weighing the Costs and Benefits of Scaling

Several issues caused Civic Ventures to proceed cautiously. First, Civic Ventures was a think tank that viewed its core strengths as generating ideas (e.g., encore careers) and formulating practical applications. At most, it was designed to be an incubator of innovative programs and a catalyst, not a manager of large-scale operations. Would expanding the Fellows Program be beyond the scope of its stated mission and strategy?

Second, operating a large and complicated scaling effort ran the risk of consuming a disproportionate amount of resources. Staff and board members worried that it could easily divert time and resources away from other valuable projects.

Third, just two years before, Civic Ventures had made a strategic decision to spin off its largest operation, Experience Corps, a national service program pairing older adults with

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<sup>9</sup> LFA Group (2010), *Ibid.*

tutoring and mentoring opportunities. Civic Ventures had grown Experience Corps from a small pilot to a large multi-chapter operation with 2000 members in 22 cities nationwide. By 2007, Experience Corps had become one of Civic Ventures' flagship programs demonstrating that older adults could be a major force for social change.

Nonetheless, Civic Ventures was mindful that the culture and capabilities of a think tank would be consistently challenged by the capital and human resources needed to support a large national service program. After careful consideration, Civic Ventures' CEO Marc Freedman, together with the board, concluded that Experience Corps, its members, and its clients would be best served if the project became independent. In 2008, Civic Ventures launched Experience Corps as an independent 501(c)3 organization. Three years later, it became AARP Experience Corps, which provided the growing program with a major infusion of new resources.

In light of this experience, Civic Ventures wondered if the best way to grow the Encore Fellows Program was to spin it off as well. Considering all the possibilities, many asked whether Civic Ventures should be in the business of scaling at all. Did it have the expertise needed to realize the program's potential or, as with Experience Corps, would its limited resources hold the program back?

Despite these concerns, Civic Ventures acknowledged that there were good reasons to scale the Encore Fellows program and stay involved with its operations. The most important reason for spearheading the scaling effort was also the most central to Civic Ventures' mission – it might create the critical mass needed to accelerate cultural change and make encore careers a new social norm. If the program took off, there was the potential that encore careers could become the normal and honorable path for all Americans to pursue in the period between midlife and old age.

Related to the potential for norm change was the need to maintain some control over the encore concept and messaging. Civic Ventures had spent many years developing the encore brand, hoping that someday *encore* would be synonymous with “pursuing meaningful work in the second part of life.” If Civic Ventures were to relinquish all control of the expansion effort, the encore concept could lose its intended meaning and the brand could become damaged or diluted.

*The Fellows Program offered a visible example that encore careers held enormous potential for creating both meaningful work and social impact.*

The Fellows Program also provided Civic Ventures with an important “proof point”. To be a catalyst for change, a think tank has to demonstrate that its ideas actually work. The Fellows Program offered a visible example that encore careers held enormous potential for creating both meaningful work and social impact. Because the program generated compelling examples, it also provided a great communications vehicle. According to Nancy Peterson, a Civic Ventures vice president,<sup>10</sup> *“the program makes our ideas more real and relatable...it gives us grounded examples and real stories to tell.”* Marc Freedman was fond of saying that efforts like the Fellows Program *“create a*

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<sup>10</sup> Nancy Peterson was responsible for designing the Encore Fellows Pilot Program, together with Janet Luce, the program's first director.



*laboratory for more deeply understanding what's needed.*" Encore Fellowships created a platform for learning about the dynamics of encore transitions and what could be done to make them more prevalent.

Finally, expanding the Fellows Program provided Civic Ventures with an opportunity to develop stronger ties to the corporate community. Without a doubt, relationships with the private sector would be a critical part of any growth effort. Not only were corporations a potential source of funding, they were also the program's primary source of talent. But Civic Ventures wanted to strengthen relations with corporate employers for another reason – it wanted to begin a dialogue about redefining the employee life cycle. It wanted employers to begin promoting encore careers as a natural next step in a long and fulfilling professional career. Getting well-respected employers to support encore transitions as an integral component of a lifetime career could go a long way toward shifting professional norms. Jim Emerman, Civic Venture's COO, saw the Fellows Program as a compelling way to start the discussion, *"it gave us something very concrete that we could offer to start corporations re-thinking the employee life cycle."*

But what was in it for the corporations? Why would employers be interested in supporting the programs? Webb McKinney, a former HP executive and Civic Ventures board member, advocated that Fellows Programs could provide value to corporations in several ways. Not only did they offer an innovative way to support local communities, they could also help organizations in their efforts to manage employee mobility. McKinney remarked:

Corporations incur costs as people leave all the time—early retirement programs, restructuring efforts, post-merger integration—in each case, people are given incentives to leave, and the organization invests in outplacement services to support them.

## Defining Scaling Objectives

While Marc Freedman and Jim Emerman knew that private sector organizations would have to play a critical role in any expansion effort, they also recognized that Civic Ventures had limited experience partnering with them. The two executives took it on faith that companies would be supportive, yet they lacked specific value propositions that might appeal to a corporate audience or what the implications of those might be for the scaling effort.

Fortunately, they knew where to find the expertise they needed. Freedman and Emerman decided to apply a little of their own advice. They asked two former Fellows – both alumni Fellows of the pilot effort – to come up with a strategy for scaling the program. With more than 20 years of management experience each, Leslye Louie and Lyle Hurst had held positions in strategy, operations, marketing, sales, and finance at Hewlett-Packard. The former executives had not only developed strategies, but implemented those strategies, often while managing large multi-site operations. Each of these experiences provided valuable insight that would be helpful to evaluating potential scaling options. To top it all off, as former Fellows, Louie and Hurst had a good understanding of the nonprofit culture, as well as the intricacies of the Fellows Program.

Civic Ventures asked their new strategy team to evaluate options for replicating the program and, if possible, develop a scaling approach that fit with Civic Ventures' mission and constraints. Because, a good strategy is just as much about what an organization chooses *not* to do, as it is about what it chooses *to* do, Louie and Hurst knew that the starting point for any strategic planning effort was defining scope conditions and clarifying objectives.

Scope conditions set the boundaries for acceptable activity. They defined what Civic Ventures was willing – and not willing – to take on given its broader objectives and constraints. Based on their discussions with the board and senior staff, Louie and Hurst identified three initial scope conditions. First, Civic Ventures did not want to increase its employee headcount. Replicating the Fellows program could not require a big investment in human capital. Second, Civic Ventures had no strategic objective to own new programs. It did not want to be a sole operator nor did it intend to operate any service programs outside the Bay Area. And, third, while Civic Ventures did not want to “own” the encore concept (in fact, it wanted the concept to be broadly disseminated and widely adopted,) it did want to protect the integrity of the concept and its intended meaning.

*Rapid growth was essential for capitalizing on the demographic trends that created such enormous opportunities for the encore movement.*

In addition to clarifying scope conditions, the team also set out to determine what the scaling strategy would need to accomplish to be considered successful. In this case, their discussions surfaced four primary objectives:

- 1) Rapid growth
- 2) A high-quality experience
- 3) Significant value for nonprofits
- 4) Financial sustainability, ideally, within three to five years

Rapid growth was essential for capitalizing on the demographic trends that created such enormous opportunities for the encore movement. The team concluded that a steep growth trajectory was the only way to establish programs nationwide within the twenty-year window of retiring baby boomers.

The scaling strategy would also have to preserve the program's high-quality experience and the impact that made the original Fellows so successful. This was necessary for building a strong reputation that would later help to accelerate the expansion effort.

Third, the scaling approach would have to encourage and support creative leadership at the local level in order to ensure that nonprofits received significant value. Entrepreneurial leadership would be essential to tailoring the program for success in local communities.

Finally, because the pilot relied solely on seed funding from two sponsors, the scaling strategy would have to include a financial model that ensured long-term stability. Carol Larson, CEO of the David and Lucile Packard Foundation, asserted that it would be difficult to secure financial resources with a centralized funding model that required

millions of dollars of foundation support. Financial resources would have to be more distributed.

## Comparing Scaling Models

With these goals firmly in place, the team began to look for a scaling model that could meet their objectives. A *traditional replication model* would allow Civic Ventures to own and manage all aspects of the expansion effort. The team quickly dismissed this model, however, because it required a big financial investment and a lot of management resources. It was also relatively slow, not to mention the fact that Civic Ventures had decided it did not want to own additional programs.

In contrast to the traditional model, a *franchise model* did not require sole ownership, but it also did not allow much flexibility for adapting the program to local markets. This seemed unrealistic given the design of the Fellows Program. Besides, based on their extensive research and experience with Experience Corps, a franchise strategy seemed incompatible with Civic Ventures' culture and management capacity.

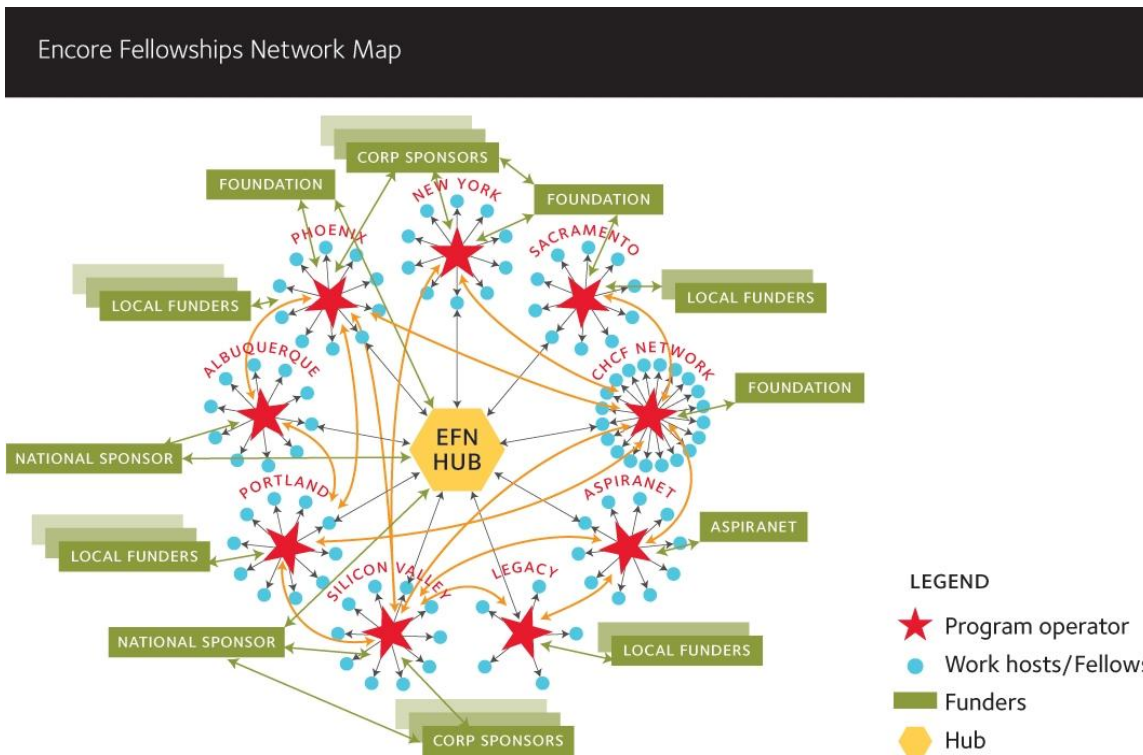
An *evangelist model* was more in keeping with Civic Ventures' strengths as a thought leader. It rested on the assumption that good ideas and new innovations would spread naturally if they were compelling and well communicated. Unfortunately, this model only worked well when a system was poised for change and simply needed a catalyst. At this point, there was no evidence suggesting that social change favorable to encore careers was imminent. In fact, the recent downturn in the economy suggested just the opposite – having lost retirement savings, people appeared to be staying in their full-time careers longer. An evangelist model also fell short because it offered no mechanisms to protect the integrity of the encore concept, thereby risking the brand that Civic Ventures had worked so long to develop.

*Together all program operators and their affiliates would form a mutually supportive network – The Encore Fellowships Network.*

## The Promise of a Network Scaling Model

Ultimately, the approach that seemed to hold the most promise was a *network scaling model*. With a network approach, Civic Ventures would partner with other organizations to leverage existing assets, increase efficiency, and speed growth. It would identify organizations with similar social purpose agendas and support them in instituting their own Encore Fellows Programs. The program would create value for partnering organizations by complementing and enhancing their existing activities and helping them to advance their core missions. Together all program operators and their affiliates would form a mutually supportive network – The Encore Fellowships Network – with Civic Ventures operating as the hub.

Figure 3: Encore Fellowships Network Map



Source: EFN internal documents

A network scaling strategy appeared to meet all of Civic Ventures’ goals and scope conditions. Partnering with other organizations would make it possible to launch many programs at once without having to manage each one centrally. The model would allow ownership to remain with the individual program operators and would give operators the flexibility to adapt programs to the needs of their local communities. To maintain quality, the EFN organizers would balance the network’s emergent nature by creating a standard program design and operating model that would help to ensure consistency. In addition, design tools and web-based information systems would be used to increase efficiency, enhance communication, and facilitate the matching process. Lastly, fundraising would be distributed throughout the network rather than centrally managed and dispersed. This would facilitate making much of the network self-funding from the start and would increase the network’s stability and sustainability over time.

Given these factors, the team recommended a network scaling strategy as the best option for replicating the Fellows Program. They reasoned that it was the only model that supported “a rapid expansion of adaptive programs, in need of creative leadership.” The network’s potential for fast acceleration and flexibility was particularly appealing because it was the only foreseeable way to reach critical mass within the rapidly approaching boomer window. As Hurst described it,

What you get with the network model is the hockey stick effect - a slow start, but then exponential growth as you begin to work with other organizations that can launch multiple programs throughout their networks, or corporations that have a national presence.

Civic Ventures was enthusiastic about the network scaling model because it seemed to complement their organizational culture. Moreover, building a network would provide learning that could extend to other Civic Ventures programs, helping those programs as well. Although some worried that relinquishing control over the encore brand might dilute its intended meaning, the team reasoned that the brand could be carefully controlled and that Civic Ventures' marketing and communications guidance could be valuable to many nonprofits that otherwise lacked access to messaging and media expertise.<sup>11</sup> Weighing the various concerns and benefits, Civic Ventures decided to move forward with the expansion effort. In January 2010, the board approved the network scaling model and asked Louie and Hurst to stay on to lead the implementation. Louie agreed to become the National Director of the newly-christened Encore Fellowships Network. The next morning, Civic Ventures secured the Internet domain name "encorefellowships.net".

*“What you get with the network model is the hockey-stick effect - a slow start, but then exponential growth...”*

## Funder as Thought Partner

From the beginning, the Packard Foundation had been a key player in launching the Fellowships pilot. It was not surprising then that it would also play a significant role in developing the broader network. Civic Ventures' relationship with the Packard Foundation dated back to the think tank's founding in 1997 when the Foundation became its first funder. Both organizations believed that strong sustainable leadership was critical to strengthening the public sector. And, both believed that creating clear pathways into the sector was essential for attracting high-quality talent.

By the time that Civic Ventures began to explore scaling models, the Packard Foundation was already funding research and experimentation on network effectiveness. The Foundation believed that networks could provide a better, more cost effective way to leverage foundation investments. Despite the prevalent use of networks among its grantees<sup>12</sup>, the Foundation could see that relatively few nonprofit leaders had experience organizing and managing networks. As a result, when Packard's Organizational Effectiveness team learned of Civic Ventures' plan to use a network scaling model, they recognized that it could provide a “tremendous learning opportunity”. Not only would the initiative improve opportunities for people looking for encore careers, and not only would it provide a new source of talent for nonprofits, it would also produce valuable learning for other social purpose organizations interested in building and leveraging networks for social change.

Yet, the Packard Foundation officials were also cautious. Although they had a great deal of confidence in the encore team and admired their entrepreneurial spirit, they also wanted to be sure that the newly-minted organizers had a chance to tap into the Foundation's network expertise, including its work with other grant makers and

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<sup>11</sup> In fact, many of the smaller programs later noted that Civic Ventures' media expertise and access to the national press was a benefit they valued and otherwise lacked.

<sup>12</sup> The Packard Foundation estimated that at least 200 of its grantees were formally structured as networks (or working through networks) and that most, if not all, had some form of network strategy embedded in their programs and products. See “*Network Theory of Change*,” The Packard Foundation, <https://sites.google.com/a/monitor.com/organizational-effectiveness/theory-of-change>

nonprofit networks. Acting as a thought partner, one of the many ways that the Packard Foundation supported the EFN organizers was by helping them to anticipate potential challenges. It was in this spirit that Packard CEO, Carol Larson, and the leaders of the Foundation's Organizational Effectiveness team, Kathy Reich and Stephanie McAuliffe, posed some important questions for the EFN team to consider.

The Foundation's toughest questions focused on quality control. They wanted to know how the EFN would ensure that member organizations implemented programs that were as successful as the pilot. They also

wanted to be sure that the EFN considered how it would protect the network's brand as its membership grew? There were also questions about whether the Silicon Valley pilot could be replicated in other environments. Stephanie McAuliffe wondered if the program had experienced "a magic moment": Were the initial participants – a relatively young, highly-experienced group of executives who shared the ethos of a few unique organizations – largely responsible for the pilot's success? Would this group's experience generalize to other executives, in other locations, with different training?

*The Packard Foundation's support and ongoing commitment were vital to the EFN's early survival.*

The organizers had little precedent to draw on as they began to think through these questions. As they would discover throughout the organizing effort, the EFN was indeed charting new territory. Kathy Reich pointed out that,

Networks have been used by community organizers for a long time, but a network for supplying diverse, experienced talent to the nonprofit sector is something still very new.

Because network scaling strategies were still relatively new and therefore somewhat risky, The Packard Foundation's support and ongoing commitment were vital to the EFN's early survival. Most notably, this took the form of flexible program funding that allowed the organizers the freedom to plan and nurture the network's foundation before jumping immediately into growing it. The Foundation understood that network building was a complicated and lengthy process. Impressive growth rarely happened overnight, which is why a network's growth curve often looked like a hockey stick. Network builders had to invest time upfront in planning and building the network's basic infrastructure, creating the structures and processes that would support the growth they expected later. Indeed, before a network could grow, the organizers had to create value, promote that value, develop relationships and, most difficult of all, build community. Each of these involved diverse constituencies and took time. As Reich noted,

[Foundations] have to be more patient because working with a network takes longer. Networks are more time and labor intensive for both the grantee and the foundation. But the bang can be a lot bigger for the buck if it's done well.

The Packard Foundation provided far more than funding to help the EFN get off to a good start: It provided access to knowledge, capacity building resources, and contacts. The Foundation provided support, but not explicit direction. For example, it awarded the EFN organizers a small consulting grant to work with Beth Kanter, a visiting scholar at the Foundation and expert on social media. Kanter provided useful coaching and new

frameworks for building value and engagement.<sup>13</sup> The Packard Foundation also helped by sharing its connections to other nonprofits. When the Fellows Program initially launched and needed nonprofit work hosts, the Foundation convened a number of their grantees to learn about the program and potentially participate, offering support if they chose to do so. In addition, the Foundation provided the EFN organizing team with opportunities to speak at gatherings and events to publicize the network and open doors to potential funders and expansion partners.<sup>14</sup> The Foundation continued to play the role of thought partner throughout the EFN's early evolution. In fact, its consistent partnership was so valuable that the EFN organizers frequently cited its support as critical to the network's early success.

## 4. A Strategic Approach to Network Scaling

With the approval of the board, the team now had the green light to figure out the details of their approach. Developing a strategy was one thing, but implementing it was quite another. To help them with the design efforts and the many tasks required to launch the EFN, Louie and Hurst hired two new Encore Fellows and one former Fellow to work as part-time independent contractors for the first year. They were also fortunate to retain the pilot's original program director, Janet Luce, who brought a wealth of practical experience and familiarity with other scaling models.

Early in their research on networks, the organizing team discovered *Net Gains: A Handbook for Network Builders Seeking Social Change* by Peter Plastrik and Madeleine Taylor.<sup>15</sup> The handbook provided practical advice and a useful framework for planning and organizing networks for social impact. It also gave the former executives a better understanding of how networks work and how their dynamics differ from more hierarchical and centralized forms of organizing. Plastrick and Taylor emphasized that although networks can provide many advantages – for example, rapid growth, quick dissemination of information, and resilience – not all networks are created equal. Networks form for different purposes and with different goals, and these differences can have important implications for how a network should be designed and managed.

### Lessons from Managing Other Growth Efforts

The *Net Gains Handbook* provided a useful roadmap for thinking through the many decisions and activities involved in designing and launching a network. However, it was the organizing team's prior experience that guided them in choosing which paths to pursue. Although many researchers highlight the differences between building a

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<sup>13</sup> See "Ladders of Engagement" in Kanter, Beth. *The Networked Nonprofit: Connecting With Social Media To Drive Change*, (2010).

<sup>14</sup> As an example, Louie and Hurst, were asked to speak at a grantmakers conference on building and supporting networks for social impact. See, *Growing Social Impact in a Networked World: A Grantmakers' Gathering on Networks*, San Francisco October 17-18, 2011, hosted by Grantmakers for Effective Organizations and Monitor Group. <http://www.geofunders.org/networksconference.aspx>

<sup>15</sup> Plastrik, Peter and Madeleine Taylor, *Net Gains: A Handbook for Network Builders, Version 1.0*. 2006. [http://www.arborcp.com/articles/NetGainsHandbookVersion1.pdf?lt=net\\_gains\\_download](http://www.arborcp.com/articles/NetGainsHandbookVersion1.pdf?lt=net_gains_download)

network and managing corporate growth, far fewer have explored the leadership capabilities and management practices that may be usefully transferred from one setting to the other. There are some notable commonalities that suggest that management capabilities developed in one arena may be usefully applied to the other. For example, many organizations are highly decentralized and rely heavily on informal influence and consensus building (rather than formal hierarchy) when managing growth and change. Similarly, many organizations depend on strong strategic partnerships with distributors, key suppliers, and other collaborators for their success. It seems only reasonable that the same skills and capabilities used to manage strategic partnerships and build consensus in large decentralized organizations would be valuable for developing relationships and coordinating actions when building a social purpose network. The EFN organizers drew instinctively on these experiences as they began to design the Fellowships Network.

The organizers were certainly no strangers to managing growth. They had built their chops in the high-tech industry where companies had to adapt rapidly and scale up quickly just to survive. The team knew that no matter what the context – be it an organization or a network of organizations – managing a successful growth effort boiled down to three strategic issues: increasing scale, maintaining quality, and controlling costs. Because these three issues had to be managed simultaneously, successful growth also required managing certain organizational challenges. These typically involved coordinating all the activities necessary for executing the chosen strategy and finding the right balance when there were conflicting priorities.

*...the organizers were able to blend deliberate strategic planning and systematic execution... with processes and practices designed to distribute decision-making across the network.*

The organizers drew broadly on their private sector experience while developing the network scaling strategy. However, they carefully incorporated their experience within the Net Gains framework. They understood that many of a network's strengths and benefits depended on shared ownership and distributed control throughout the network, not centralized authority. With this firmly in mind, the organizers were able to blend the deliberate strategic planning and systematic execution they had learned in their previous careers with processes and practices designed to distribute decision-making across the network. Specifically, their plan was to build a strong infrastructure to ensure the production of consistent high-quality programs, but to do so in a way that minimized costs and did not require a large centralized management structure.

Many aspects of the team's prior experience lent themselves well to building a high-growth network. First, and most importantly, managing large organizations had given them the discipline to think holistically about the system<sup>16</sup> they were organizing. They

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<sup>16</sup> In some cases, network builders, especially those building advocacy networks, talk about systems in terms of the issues they are advocating and the organizations they are trying to align in their network. They often map out the issues they hope to address and consider this their "system". Because the EFN is a production



understood that getting things done across organizations with diverse goals and sometimes-competing priorities required a clear strategy and strong execution. Moreover, they knew that execution depended on alignment – structures and processes that reinforced the strategy, complemented one another, and sent a consistent message. For example, because rapid expansion was a key goal, the organizers planned to work through other multi-tiered networks. This would speed growth but it would also create a highly decentralized structure without a lot of central control. To balance the decentralized structure, the organizers created codified processes, including a standard design review, that helped to keep the system aligned and in check.

Second, over the course of their careers, the EFN organizers had used a broad assortment of tools and processes to foster coordination in other decentralized environments. As with network building, the goal had been to build agreement and collaboration in situations where formal authority was either lacking or inconsistent with an organization’s strategic objectives. They believed that some of these same methods and approaches could help to balance the network’s naturally emergent dynamics and even capitalize on those dynamics when appropriate.

Looking back, the EFN organizers identified several experiences from their previous work that had been particularly relevant to developing and launching the EFN. Some of the most notable included,

- Managing in a matrix environment, managing channel partners, and developing strategic alliances
- The discipline of developing value propositions to attract customers and sell products; building partnerships to achieve win-win value propositions
- Taking an iterative, adaptive approach to developing processes and tools; being willing to throw away initial prototypes and replace them with improved systems
- Continuous learning and improvement methodologies emphasizing controlled variation, experimentation, and standardized evaluation practices
- Focus, prioritization, and risk management – for example, the organizers maintained a narrow product definition and they initially limited innovation so that they could focus their resources, limit risk, and control the learning process

Lastly, working in the private sector had also instilled a healthy obsession with execution. The organizers realized that no matter how clever the strategy, without strong, deliberate execution and “laser-like focus” they would never reach their goals. This, however, did not mean that the organizers were rigid or unyielding. Having managed across disparate functions and departments in a matrix environment, they understood that flexibility was critical to seizing unexpected opportunities, learning, and rapidly making performance improvements. Similarly, the pace and complexity of

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network, it focuses not on influencing *issues* per se, but on influencing *actions*. Its system refers to the different mechanisms that can be used to influence collaborative action in a distributed network of autonomous organizations.

managing large operations had taught the organizers the importance of empowering others and “letting go.” They understood that supporting entrepreneurial leaders at the local level – providing them with guidance, yet allowing them the flexibility to meet the needs of their local communities – was absolutely critical to scaling the Fellows Program. Without strong local initiative, they would be unable to build the capacity needed to sustain the program nationwide. Taken together, the managerial skills and leadership capabilities that the organizers had gleaned from their previous leadership roles were not only relevant, but highly valuable to developing and implementing the EFN’s scaling strategy.

## The Network Design Blueprint

Drawing on their previous experience launching growth initiatives, the organizing team spent their first six months working out the details of the EFN’s organizing strategy and codifying the design of the Fellowships Program. During this time, they also launched a second program in the Silicon Valley in order to replicate the pilot results. The goal of the replication was to demonstrate that the program’s results were not only robust, but also reliable. This section briefly lays out the framework the organizers used to design their network scaling strategy. In the sections that follow, each design element is examined in greater depth, together with details about how the organizing team went about implementing it.

*...the organizers constructed a Network Design Blueprint - a detailed plan specifying how to organize and manage the EFN as a system.*

Using the framework described in *Net Gains*, the organizers constructed a *Network Design Blueprint* - a detailed plan specifying how to organize and manage the EFN as a system. The blueprint focused on seven core design decisions, in addition to plans for implementation and evaluation. The design framework guided the organizers as they thought through the fundamental components of the network. Drawing on their previous experience, they looked at these components as a system, ensuring that the individual design elements complemented one another and aligned to form an integrated whole. They used the blueprint framework to create a deliberate plan outlining how they would address each design element and how those elements would reinforce the network’s overall scaling objectives (i.e., growth, quality, impact, sustainability). Figure 4 provides an overview of the design elements, the decisions that combined to form the scaling strategy, and implications for execution.

Figure 4: Network Design Blueprint

Element	EFN Decisions	Key Tasks for Execution
Type	The EFN is a <i>production network</i> designed to coordinate the actions necessary for a large number of organizations and people to create, manage and participate in high-quality Fellows programs	<ul style="list-style-type: none"> <li>Identify core program elements</li> <li>Ensure product differentiation vs. other available programs</li> <li>Establish “proof of concept” by replicating program with new sample and demonstrating reliable results</li> <li>Specify key core processes (e.g., rigorous selection and matching)</li> <li>Determine how network will coordinate joint actions (e.g., through codified processes, automated online systems)</li> </ul>
Purpose	The EFN’s purpose is to directly enable the rapid proliferation of Encore Fellowships by making it easy to create and operate high-quality EF Programs across diverse settings	<ul style="list-style-type: none"> <li>Clearly articulate statement of purpose</li> <li>Identify target markets and create targeted value propositions</li> <li>Build value directly into the network to support purpose and value propositions</li> <li>Decide how much programs can vary to provide value; define limits and ranges of acceptable variation while maintaining program and brand integrity</li> </ul>
Structure	Begin with a simple hub-and-spoke structure and move toward a multi-tier model to allow faster, more emergent growth	<ul style="list-style-type: none"> <li>Design network structures, including nodes, links, and flows</li> <li>Define what structure should enable (e.g., speed of expansion, learning)</li> <li>Anticipate how structure should change as network evolves</li> <li>Identify likely challenges associated with structure and how to address through complementary systems</li> </ul>
Members	Selective membership and strategic recruiting will ensure high-probability of program success, facilitate collaboration, and increase growth potential	<ul style="list-style-type: none"> <li>Develop strategies to identify and assess high-potential markets</li> <li>Specify ideal member attributes</li> <li>Develop selection criteria and processes</li> <li>Identify membership tiers and benefits</li> <li>Recruit members who will help to achieve network objectives</li> </ul>
Governance	Hub makes network-level decisions and approvals during early phases, but will transition most governance to members over time.	<ul style="list-style-type: none"> <li>Define decision rights for hub and members</li> <li>Consider how decision rights should be allocated to balance speed of expansion and quality</li> <li>Delegate program decisions to program operators from the start</li> <li>Decide how governance should evolve over time; identify specific actions needed to get there</li> </ul>
Evaluation	Evaluation is embedded within network from the start. Evaluation focuses on programmatic outcomes including participant satisfaction and substantive impact, as well as growth and financial sustainability	<ul style="list-style-type: none"> <li>Identify metrics to monitor program quality and satisfaction</li> <li>Develop cost effective ways to collect and evaluate program data</li> <li>Purposely control and track program variation and performance data to accelerate learning</li> <li>Consider ways to evaluate network growth, health, and sustainability (e.g., construct network maps to track growth and patterns of interaction)</li> <li>Determine consequences of poor performance and accountability processes</li> </ul>
Hub and Member Roles	Hub initially assumes all network-building responsibilities. Over time, nodes are expected to take on roles of weaving, facilitating and coordinating sub-networks	<ul style="list-style-type: none"> <li>Identify tasks the hub must perform prior to network launch to ensure new programs have high probability of success</li> <li>Identify network-level assets and activities that should be overseen by hub (e.g., brand development, member selection, program evaluation, review of new program models)</li> <li>Determine what tasks/activities should be performed by members to achieve full benefits of a distributed network</li> <li>Identify specific roles for coordinating across programs (e.g., to maximize learning, to set network policy)</li> </ul>

Source: Adapted from Plastrick and Taylor (2006); EFN internal document

## 5. Executing the Network Scaling Strategy

### Network Type: Defining What the Network Will Do

The *Net Gains Handbook* maintains that the first step in network building is determining the type of network needed to accomplish the desired social objectives. Clarifying the type of network is important because different networks present different challenges, and these challenges have big implications for the tasks that network builders have to address.

From the beginning, the organizers agreed that the EFN would be a *production network*: It would bring together organizations from different sectors to design and implement high-quality Encore Fellows Programs. According to Plastrik and Taylor, the key task in building a production network is *coordination*<sup>17</sup> – helping members to plan and carry out the actions necessary for producing the network’s intended outcomes. For the EFN, this meant coordinating the actions necessary for creating and managing consistent, high-quality Fellows Programs – programs that would not only facilitate encore transitions for experienced professionals, but also provide capacity building support for social purpose organizations.

#### Product Definition and Essential Elements

In designing a production network, the first matter of business for the EFN organizers was defining the “product”. As Louie explained:

To be a production network, you need to be very clear about what your product is. You have to decide and then codify what it is that you’re producing because then you can pass the recipe book off to the next operator so that they can produce the same thing.

A well-defined product was deemed especially important given the mix of organizations expected to participate in the network and the various functions they could serve. As it turned out, network members included both public and private sector organizations across a broad range of sectors – from family services and community health clinics to venture-capital, finance, and semiconductors. Some of these organizations operated programs, others funded them, and still others supplied fellows. To complicate things still further, member organizations could also perform a combination of these functions (e.g., fund *and* operate a program, fund *and* supply Fellows).

To define the core features of their “product” (i.e., a successful Encore Fellows Program), the organizers conducted a benchmarking study of comparable programs. The study identified organizations with similar missions and operating in the same general space. They then identified the programs’ key dimensions and looked for points of differentiation that could be used to distinguish the encore program from others already in operation. Based on this analysis, the organizers came up with seven core features that were essential to a successful encore program and differentiated it from other programs (see Figure 5).

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<sup>17</sup> Plastrik and Taylor, *ibid*

Figure 5: The EFN Core Program Criteria

<b>Program Attribute</b>	<b>Minimum</b>	<b>Maximum</b>
<b>High Impact Work</b>	Capacity building, change agent, or venture creation	no maximum
<b>Fellow Compensation</b>	\$12,500 total comp	\$60,000 total comp
<b>Fellowship Duration</b>	6 mos	18 mos
<b>Fellow Time Commitment</b>	750 hours	2000 hours
<b>Program Level Structure</b>	16 hours structured orientation	100 hours structured cohort learning
<b>Experiential vs. Educational</b>	98% Experiential 2% Educ/Dev	80% Experiential 20% Educ/Dev
<b>Work Host Eligibility</b>	Social-purpose orgs	Social-purpose orgs

Source: The EFN Program Creation Guide

Adhering to these seven program attributes became a requirement for receiving Core Program Designation. Any organization wishing to implement an Encore Fellows Program with Core Program Designation had to design their program such that it met the seven criteria. There was some flexibility within the seven dimensions: For each feature, the organizers listed a recommended value and an acceptable range. The range allowed program operators to adjust the core features according to the needs and interests of their community. In addition, operators could tailor the program in other ways. For example, as long as a program maintained an experiential focus and stayed within the designated number of hours, operators had complete autonomy over the design of their cohort experience.

Network members seemed to appreciate both the specificity of the program design and its flexibility.<sup>18</sup> When asked whether the criteria felt too rigid and restrictive or too flexible and unstructured, all of the program operators indicated that they found the balance “just about right”.<sup>19</sup> In addition, most found the organizers quite accommodating in allowing them to customize the program to their local markets. For example, some operators wanted to rename the program to incorporate their own brand. As long as they indicated that it was part of the broader Encore Fellowships Network, there were no objections.

But the organizers did not allow all variations. Those that compromised the program’s key design features were typically sent back to the drawing board. When a potential

<sup>18</sup> Research conducted by Teobaldo Pinzas and Claudia Ranaboldo (2003) as reviewed by Plastrik and Taylor (2006), *Ibid*, suggests that networks that are more focused and well defined obtain greater commitment from their members and accomplish more.

<sup>19</sup> The fact that core program operators consistently viewed the program design as optimally structured suggests that organizers have done a good job to date of selecting operators with strong mission alignment.

operator proposed a program design that offered Fellows no compensation, the organization was asked to incorporate the missing feature. If the operator didn't go along with the request, it could move ahead with its program, but it wouldn't be given Core Program Designation or any of the entitlements that went along with it. These included use of the encore brand and access to the online databases and other tools. In short, as long as programs remained within the boundaries of the core program features, operators were welcome to adjust their program designs to reflect the needs of their communities. In fact, the organizers encouraged these variations because they believed they were essential to the network's learning.

## Proof of Concept

Defining the core program attributes and making them a requirement for core program status was the first of many ways the organizers coordinated the actions of their members. Another was demonstrating that their model worked reliably across different contexts. The EFN organizers decided to replicate the pilot program while they worked out the details of the scaling strategy. They reasoned that this would allow them to test the robustness of the program model and present potential program operators with a stronger proof of concept.

By replicating the program with a new set of Fellows and work hosts, the organizers were able to demonstrate that the pilot's remarkable results had

*...a clear product definition and compelling proof of concept were the first steps to achieving coordination across the network.*

been a function of a well-designed and well-executed program model, not just the enthusiasm and commitment of a unique group of participants.<sup>20</sup> It also allowed them to factor out unique aspects of the pilot that would not necessarily be present in future programs. For example, in the pilot, Civic Ventures had recruited work hosts who were widely regarded as innovative leaders in their sector. Moreover, the pilot covered all stipend fees and provided a small innovation grant to encourage participation. In the replication effort, the organizers invited a broader range of work hosts, who then paid half of the Fellows' stipend. This was a significant change to the funding model that was designed to increase the network's sustainability. Otherwise, all program features remained the same. When the program once again produced strong, positive results, it clearly reinforced the validity of the core design and its potential to make a significant impact.

Replicating the pilot produced a number of benefits. First, it gave the organizers a deeper understanding of the program's various components and the intricacies of its operations. This, in turn, allowed them to make more informed design choices when advising new programs and building the network. Second, many members reported that the program's strong proof of concept was a big factor in their decision to join the network. Knowing that the program design had been evaluated across different contexts provided confidence in the program's quality, and faith that it could produce similar results in their own communities. Lastly, the proof of concept seemed to discourage members from

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<sup>20</sup> The Packard officials had initially raised the issue of reliability when Stephanie McAuliffe wondered aloud whether the program had experienced a "magic moment".

wanting to make significant changes to the recommended program design. According to Louie,

Once we codified the model, people just adopted it. We thought we would spend more time customizing the model to individual programs, but it's been less than expected.

Looking back, it was apparent that a clear product definition and compelling proof of concept were the first steps to achieving coordination across the network. Nonetheless, while members might have agreed with the program criteria, that didn't guarantee they would implement them successfully. The organizers realized that even with the best intentions, member organizations might struggle. As such, the organizers developed other ways to foster alignment across the network.

## Network Purpose: Articulating Value Propositions and Embedding Value

Clearly articulating the EFN's purpose was the next way the organizers built alignment. A production network exists solely to produce specialized outcomes, so specifying what those outcomes will be and how they will provide value is critical. Network researchers have found that when networks are more specific and well defined, they tend to generate more commitment among their members. They also tend to accomplish more, presumably because there is more agreement about what they are trying to do.<sup>21</sup> When members share a common understanding of the network's purpose and are clear about their role in fulfilling that purpose, they are more likely to make appropriate decisions.

The EFN had a somewhat complicated agenda with multiple objectives, so clarifying its purpose was especially important. However, the complexity also made it more difficult. While the network's purpose had to be specific to be compelling, it also had to be broad enough to appeal to diverse audiences. In an effort to be both specific and broadly appealing, the organizers summarized the core aspects of their purpose in a single succinct statement:

The Encore Fellowships Network is an initiative to ignite the rapid proliferation of Encore Fellowships Programs by making it easy for members to create and operate a wide variety of effective, high-quality programs that will have lasting positive impacts on social-purpose sectors.

The discipline of formulating a statement of purpose that was both simple and direct helped the organizers focus on the essentials: What the network aimed to produce, what outcomes it hoped to accomplish, and what value it planned to provide in return for member support and participation. This clarity was a big selling point for the network's initial members. Mark Holloway, Executive Director of Social Venture Partners Portland, recalled that one of the factors that had influenced his organization's decision to join the network was how well the organizers had articulated its focus and objectives.

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<sup>21</sup> Pinzas and Ranaboldo, as cited in Plastrik and Taylor (2006). *Ibid.*

They were specific about what they were doing and what they were looking for. They had specific expectations about program attributes, yet there was flexibility in their design...they also did a good job providing specific value propositions that we could share with our board.

Without question, taking the time upfront to clearly articulate the network's purpose – and the strategy for accomplishing it – significantly enhanced the organizers' communication efforts. It helped to convey a well-orchestrated plan and consistent message to a wide variety of people, including board members, nonprofit leaders, public agencies, corporate executives and former executives. According to Holloway, the organizers' ability to communicate a complex system in specific, direct terms “*established good credibility.*” It also helped to ensure that members joined the network with shared expectations.

## Collective and Targeted Value Propositions

The process of defining and articulating the network's purpose prompted the organizers to think carefully about the network's potential value to participants. The organizers focused on two types of value propositions: 1) *Collective value propositions* that provided common benefits to all members, and 2) *Targeted value propositions* that addressed the specific needs of a particular “market” or social sector.

By definition, collective value propositions are intrinsic to the network as a whole. They form through the actions and contributions of network members and, therefore, become more powerful as a network grows. However, in the very beginning, production networks tend to offer more promise than punch. They are small and members are just getting up to speed. In short, the community is limited.

But this did not deter the EFN organizers. They believed that the EFN's early development was a critical period for building the network's norms and habits. According to Hurst, “*You need to define the network consciously from the start or you won't have a chance later.*” With this in mind, the organizers began to develop the network's assets and capabilities long before members were up and running. This included everything from membership selection to process design to online tools and information systems. Each capability enhanced the quality of the Fellows Program and provided value to members immediately upon joining the network.

*The EFN filled what network researcher Ron Burt refers to as a 'structural hole'.*

The organizers focused on three collective value propositions almost from the very beginning. The first was *the network's brand* potential. A strong, high-quality brand would benefit the network by providing value to existing members and attracting new ones. The second collective value proposition was the *opportunity to learn from other network members*. This was confirmed by many of the network's early participants who like the organizers, viewed knowledge sharing as one of the network's key benefits. Greater *access and connectivity* represented the network's third collective value proposition. Many nonprofits lacked ties to their local business community and had few opportunities to develop corporate relationships. Similarly, corporations often wanted to



establish better relationships with local community groups, but struggled as their operations became larger and more geographically dispersed. By providing members with an established model for launching new Fellows Programs, the EFN provided nonprofits with new ways of building corporate relationships and corporations with new ways of serving local communities. The EFN filled what network researcher Ron Burt calls a “structural hole.”<sup>22</sup> It essentially brokered connections among otherwise disconnected networks, identifying who could benefit from what and creating value for all involved.

In addition to developing broad collective value propositions that benefited all members of the network equally, the EFN organizers also developed value propositions tailored to the needs of specific subgroups. This entailed flipping the logic that most social purpose organizations use when looking for funding and support. Rather than “selling” potential members solely on the merits of the EFN’s social purpose agenda (i.e., facilitating encore careers), the organizers developed value propositions tailored to the specific needs of their target markets. They shifted the emphasis from “*this is how you can help us*” to “*this is how we can help you.*”

To develop these targeted value propositions, the organizers applied corporate management techniques commonly used in the private sector to develop new products. They identified potential “markets” that could be valuable to the scaling effort and then “developed” those markets by identifying pressing needs that the network could address. The organizers identified four segments as particularly promising: Community-based nonprofits, large corporations, foundations funding multiple grantees, and nonprofits serving a specific social sector (e.g. health, education, at-risk families). The organizers developed a compelling value proposition for each market and, in many cases, modified some of the program’s implementation parameters. For example, instead of placing Fellows in multiple work hosts within a specific geographic region, a program might place Fellows in multiple agencies within a specific work host network.

*Organizations like Experience Matters in Maricopa County, Arizona, joined the network [because] implementing a Fellows Program directly contributes to their core mission...*

A few examples illustrate how targeted value propositions and an adaptable program model allow the EFN to attract a broad variety of participants. The EFN’s most basic model is the *community model*. With this model, the EFN expands geographically by partnering with community-based nonprofits in target cities across the country. Organizations like Experience Matters in Maricopa County, Arizona, joined the network to operate Fellows Programs as part of their local community offerings. For these members, implementing a Fellows Program directly contributes to their core mission by helping to build capacity in the local nonprofit community or by creating channels for experienced adults to find meaningful work in the second half of life. In addition, it increases their presence in the local market by helping them to build stronger, more engaging relationships with their constituencies. Social Venture Partners Portland

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<sup>22</sup> Burt, R. S., (1992). *Structural Holes*. Harvard University Press: Cambridge, MA.

reported that launching a Fellowships Program increased its core membership by about 10% and raised its financial intake by about 30%.

The EFN offers a similar value proposition to foundations. With a *foundation value proposition*, the EFN offers grantmakers an additional way to strengthen the effectiveness of their grantees, a traditional area of concern for foundations. Because foundations typically play a funding role, the network links them to established program operators who can match their grantees with experienced talent and monitor the quality of the engagement.

Corporations are valuable to the EFN scaling strategy because they provide access to talent, financial resources, and nationwide reach. As such, the organizers initially created two value propositions for the corporate market. The *corporate philanthropy value proposition* is a pure philanthropic play: The EFN offers a way for private sector organizations to give back to their communities and build favorable community relations. While this is a typical value proposition for many nonprofits, the organizers view it as a somewhat tenuous model. Based on their experience, more sustainable value propositions address a core business need. With this in mind, the organizers developed a *corporate human resources (HR) value proposition*. This proposition asserts that an Encore Fellows Program can provide corporations with an innovative option for managing and encouraging employee mobility and enhancing employee and retiree satisfaction.

The first corporation to embrace the corporate HR value proposition was Intel. A large percentage of Intel's senior workforce had been hired directly out of college, creating a relatively young retirement-eligible population in their early- to mid-50's. While in some ways having a large cohort of experienced employees was good, in other ways it limited advancement opportunities for newer employees. In the highly competitive and rapidly changing high-tech industry, attracting and retaining leading-edge technology talent is critical to a company's very survival. The leaders of Intel's Corporate Human Resources Group recognized almost immediately that an honorific pathway into the nonprofit or public sectors could give senior employees an incentive to look at another phase in life, which could potentially improve the company's ability to attract, retain and recognize outstanding talent.

Because Intel was not interested in operating independent programs across multiple sites on its own, yet wanted to offer programs across different geographic regions, the EFN organizers worked closely with the human resources function to adapt the original program model to meet their multi-site needs. They came up with a new model that made it possible for Intel to offer fully funded Fellowship opportunities to qualified employees by working through other independent EFN operators. This further reinforced the value of the network both to Intel and the independent operators.

## Creating Embedded Value

Carefully thinking through the EFN's purpose also quickly turned the organizers' attention to implementation. The big challenge from an execution standpoint was figuring out how to organize the network most efficiently to advance all priorities at once – growth, quality, and sustainable impact. This was difficult because the network

characteristics conducive to growth were not always conducive to the organizers' other objectives. As Hurst noted:

Networks are emergent, free flowing and difficult to control. In a traditional organization, the challenge is innovation because the governance systems are formulaic, hierarchical and regulated. In a network, it's not hard to get innovation – variation happens on its own. The real challenge is quality control because you really don't have control.

As such, the EFN's most fundamental execution challenge was figuring out how to maintain consistent program quality while capturing the network's potential for innovation and learning. In addition, there were also worries about protecting the value of the network's brand. While the organizers knew they could simply distribute the basic program concept to local organizations and let them implement it however they saw fit, they felt that allowing a lot of uncontrolled variation at the outset could dilute the EFN's brand position and create market confusion. Once again, the question was how to balance the need for consistency (e.g., in quality and brand) with the network's natural tendency toward variation, especially when variation sometimes produced enormous benefits?

The solution the organizing team came up with was to encourage the behavior they wanted by creating value. The organizers had proven that the design worked. Yet, to realize the design's potential, local operators had to be able to create equally successful programs in their own communities. The organizers decided that codifying the program design and developing extensive support systems would make it easier for local operators to implement consistent, high-quality programs. For example, they developed an online matching system that significantly reduced the administrative burden of recruiting candidates and also standardized aspects of the matching process. At the same time, they also believed that standard processes and automated online tools would help to direct the program operators' behavior where consistency (or controlled variation) was important.

In short, the organizers created systems that work to guide entrepreneurial initiative, keeping it in line with the network's objectives. These systems also make it possible for organizers to monitor member behavior. By making these processes and tools an integral part of joining the network, the organizers have managed to design value directly into the network's infrastructure, well before the network is truly large enough to offer many other network benefits.

## Codified Program Material and Standardized Processes

The organizers created codified program material in the form of guides, training, and other documentation. These materials provide step-by-step instructions for designing and implementing a Fellows Program, laying out each phase of a program's development from "program design and approval" all the way through "program evaluation". For each process, the organizers defined the procedure, laid out all of the necessary activities, and specified the desired outcomes. They also created specific tools to help program operators carry out each major task within a given process. These tools include online resources such as application forms, templates, marketing collateral, samples of various

communications, worksheets, checklists, and rating criteria. There are also automated systems for processing applications, matching candidates to positions, and evaluating program performance. Design reviews and approvals are incorporated early in the process to ensure that organizations applying for Core Program Designation meet the criteria and fulfill the key requirements. Finally, many of the automated systems make it possible to monitor a program's progress during implementation, in addition to evaluations completed by the program's Fellows and work hosts.

Figure 6: Encore Fellowships Process Summary



Source: EFN internal documents

## Information Systems and Online Resources

The EFN's information systems, automated online tools, and communication portals play a critical role in the network's scaling strategy. These systems not only help to ensure quality and consistency across programs, they also facilitate communication, learning, and community building among network participants. Importantly, the automated systems significantly lower operating costs throughout the network and save considerable time. Communication portals and wikis, for example, provide dedicated online spaces where the organizers can post process documents, templates, updates on program enhancements, and numerous other resources that members can use when launching their programs. Databases allow the organizers to create, administer, and analyze program evaluations, Fellowship applications, job postings, funding profiles and other information for monitoring and improving collective performance. Because the EFN's data collection systems are web-based, they provide some nice advantages over other systems: They are user friendly; information is immediately updated, allowing performance to be monitored real time; and they make it possible to aggregate data across programs for reporting purposes, which allows the organizers to demonstrate the network's collective impact nationwide.

Information systems are also an indispensable part of keeping the network's infrastructure costs low. This may be surprising to many social purpose organizers because people often assume that creating information systems to support a distributed network requires a big IT budget, expensive consultants, technical support staff, and ongoing maintenance costs – resources that many nonprofits lack. The EFN organizers have managed to dispel this myth. They have been able to meet all of their IT systems needs by customizing standard free or low-cost platforms in-house and with no technical staff. This includes online communication platforms, a centralized database, web-based matching tools, centralized evaluation and application systems, wikis, and web sites. Figure 7 provides a brief summary of the readily available tools and resources that the organizers have used to create their fully-integrated online platform.

Figure 7: EFN Information Systems: Resources and Cost Structure

<b>Resource</b>	<b>Platform</b>	<b>Development Requirements</b>	<b>Cost to EFN</b>
<i>Messaging</i>	Google Apps	User setup and maintenance	None, nonprofit version
<i>Database</i>	Salesforce.com	User setup and maintenance	None (license grants from Salesforce Foundation)
<i>Public website</i>	Drupal (open source) CMS on Civic Ventures server	Parent site maintained by CV, EFN page layout and content maintained by EFN non-technical staff	Server costs included in CV overhead
<i>Program Creation Guide</i>	Google Document, converted as needed to PDF or html format	EFN author	None, free resource
<i>Programs Community Site</i>	Spruz community	Design and maintenance by EFN non-technical staff. Content by EFN POs.	None, free version
<i>Program Operator Wiki</i>	PBWorks	Design and maintenance by non-technical staff. Content by EFN POs.	None, free version
<i>EFMatch</i>	Salesforce.com partner portals, applications on paid FormAssembly platform	Design and maintenance by EFN non-technical staff, with occasional paid development (Odesk)	\$7/portal/mo plus development tasks at \$15/hr. 1 portal per program. FA license \$39/mo
<i>Fellows Community Site</i>	WordPress (BuddyPress) on Dreamhost web hosting	Design and maintenance by EFN non-technical staff. Content by EFN fellows communities.	None, free version of WP; Dreamhost grant hosting to nonprofits
<i>Program Evaluations</i>	EFMatch, with reports on Google Docs	Design and maintenance by EFN non-technical staff.	None, uses free or granted platforms

Source: EFN internal documents

Most of the early program operators reported that they derived significant value from the EFN's information systems, automated tools, codified processes and other online resources. The standard systems made it far more cost effective for them to implement a

Fellows Program, basically saving each program from having to reinvent the wheel. As one new program director stated, “*The framework and systems were huge... a real time saver. I don’t have to conceptualize and test everything, I just execute.*” By embedding value directly into the network’s infrastructure, the EFN organizers have been able to achieve consistent, high-quality programs. In essence, they have created value – rather than rigid controls – to balance the network’s natural dynamics.

## Network Structure: Orchestrating How the Network Will Grow

One of the most unique aspects of the EFN is its vision for an evolving structure. From the beginning, the organizers viewed the flexibility of the network’s structure as a key enabler of their growth strategy. They expected different structural configurations to help the network accomplish different objectives at each stage of development. And players occupying different tiers and positions were expected to facilitate the network’s efforts by sharing different capabilities and assets.

### Defining the Initial Structure

As part of the *Network Design Blueprint*, the organizers carefully defined the components of their envisioned network. They described the EFN’s structure as a set of nodes and links that connect all of the organizations and people engaged in the network’s mission (see Figure 3). Four primary nodes inhabit the network. The first and most central node is the network’s hub. Civic Ventures – more specifically, the EFN national director and other organizers – make up the hub. The other nodes consist of the various program operators, funders, work hosts, and Fellows. Broadly speaking, the network comprises not only the current nodes, but also prospective and former nodes as well.

Links connect the nodes to each other, and through these links flow different types of value. The types of value that link EFN members include things like human capital and human capital activities (e.g., applications, matching processes, fellowships), financial capital (e.g., program funding, fellow compensation, grants), intellectual capital (e.g., online resources, technical expertise), and learning and other social interaction (e.g., peer support, knowledge sharing, the diffusion of local innovation).

Once they had specified the network’s basic components, the organizers mapped out the initial structure and what they expected it to accomplish. According to *Net Gains’* Plastrik and Taylor: “*Some structures are better suited than others for certain types of production networks.*” Because the organizers’ initial objectives included establishing standards, instituting processes, and building a high-quality brand, the organizers decided to start with a simple hub-and-spoke model.

A hub-and-spoke structure may be perfect for getting a network going, since the hub can be a source of energy and coherent direction at a time when none may come from elsewhere.<sup>23</sup>

Using the hub-and-spoke structure, the organizers (as hub) worked directly with new program operators as they started to use the new processes and systems. Early on, the

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<sup>23</sup> Plastrik and Taylor (2006). *Ibid*: p. 51-55.

direct interaction between the hub and individual nodes allowed critical two-way learning. It helped to ensure that early members launched successful programs. It also helped the organizers hone their new systems and processes.

## Anticipating How Structure Will Change as the Network Evolves

Although the EFN started out with a hub-and-spoke structure, the organizers wisely recognized that such a centralized model could only take them so far. Mobilizing a large number of programs and diffusing information to speed the expansion effort would ultimately require a more decentralized structure. In fact, one of the reasons the organizers spent so much energy developing codified processes and automated systems was so that they could spend less time launching well-established models and more time developing new program models with the potential for greater leverage. Specifically, the organizers predicted that the EFN's real growth opportunities would come as the network evolved from a single hub-and-spoke structure to a multi-tiered-hub-and-spoke structure.

During the first 18 months, the hub linked directly to all of the program operators in the network. From the outset, it had planned to launch programs in select geographies across the US. The hub worked closely with each new program, providing start-up development and technical support, while also continuing to define processes and explore new program models. Over time, each of the program operators began forming networks of their own, building ties to funders, work hosts, and fellows in their respective communities.

Once these basic programs were up and running – and the network's systems and processes had become fairly routine – the organizers turned their attention to more complex models. The hub spent less time with the initial operators and began developing relationships with new types of members – larger institutions with the potential for creating higher-volume placements through already-established networks. Developing partnerships with these larger organizations was a more complicated process that evolved over a longer period of time. More people had to weigh in on decisions, there were usually more locations involved, and the stakes were higher. However, these larger partnerships also had the capacity to generate entirely new networks of their own, which could dramatically accelerate the EFN's growth and start it down the path of becoming a multi-tiered network.

*CHCF quickly grasped that the systems and processes... would enable them to rapidly replicate Fellowships within the 150 clinic corporations in the California healthcare system.*

Partnering with other network builders began early in the EFN's second year. The hub's goal was to use the "scaffolding of existing networks" to promote the spread of additional networks. Large corporations and networked nonprofits represented good potential partners because they relied extensively on networks for their day-to-day operations.

Networked nonprofits whose mission involved strengthening the capacity of a specific social sector were especially likely to resonate with the EFN's value proposition. These organizations immediately understood the EFN's model and its potential. They appreciated the benefits of participating in a network, understood the need for formal processes and planning, and knew how to work effectively in a networked environment.

The California HealthCare Foundation – a foundation providing grants and capacity building services to more than 800 community clinics – immediately recognized the managerial improvements that Fellows could bring to its network of community health providers. CHCF quickly grasped that the systems and processes developed to support the EFN would enable them to rapidly replicate Fellowships within the 150 clinic corporations in the California healthcare system. The tools that the EFN had already developed to support single-site programs made it possible to launch programs across entire networks, especially with the support of the broader EFN community.

Aspiranet, a nonprofit network of 35 family-support organizations throughout California, also immediately saw how Fellows Programs could help to improve the management effectiveness of agencies in its network. Vernon Brown, Aspiranet's CEO, embraced not only Encore's value proposition for capacity building, but the flexibility of its model. In many ways, Brown personified the entrepreneurial spirit that the EFN organizers had been counting on to stimulate the network's growth. He recognized that in addition to launching programs to serve its own network, Aspiranet could run programs for other nonprofit organizations as well. Many organizations valued the encore talent pool and were eager to place Fellows across broad networks, but they lacked the capacity or strategic interest to operate their own Fellows Programs. By acting as the program operator for other organizations, in addition to its own network, Aspiranet would generate funds to cover its operating expenses and would also further strengthen its reputation as a social innovator.

## Network Membership: Deciding Who to Include in the Network

Selective membership was another mechanism the EFN organizers used to coordinate action. By carefully selecting members who genuinely believed in the network's mission, as well as its theory of change, the organizers significantly increased the likelihood that member organizations would work together to increase the network's effectiveness.

### Membership Criteria

For the network to develop credibility early on, the organizers felt that it was critical for the EFN's first batch of members to have a high probability of success. As such, when the network first launched, the organizers reached out directly to organizations with the qualities they thought were necessary for creating or sponsoring successful programs. Although a few people contacted the organizers to express interest in launching programs, unsolicited inquiries represented only a small percentage of programs initially considered for membership.

The organizers thought carefully about the attributes that would be important to launching a successful program. They identified five criteria they thought were critical. The first was *mission alignment*: All prospective members were expected to have a core mission that overlapped with what the network was trying to accomplish. This typically



meant a mission that was dedicated to strengthening some aspect of the nonprofit sector or helping older adults contribute to the social good. A shared theory of change – specifically, a belief that management assistance programs could provide significant value to nonprofits – also turned out to be important.

*Operational capacity* and *board support* were the next two criteria. Operational support included both financial resources and staff support. Nonprofits that were already stretched thin were not likely to have the staying power to carry out a successful program. If their board expressed significant concerns, this also indicated that the program either fell outside the scope of their mission or lacked the commitment needed to sustain the program longer term.

Next, building a new program required *strong relationships with other social purpose organizations*, either in the local community or within a particular sector or service domain. Strong ties enabled a prospective operator to accurately assess how receptive a host community would be to a Fellows Program or how much influence they might have in building interest. If other social purpose organizations were resistant to the Fellowships model or simply lacked sufficient resources to co-sponsor Fellow stipends, efforts to create a new program would likely be futile. As a result, integration within a mature social-purpose community was one of the key membership criteria.

Lastly, prospective members had to agree to abide by a *policy of non-discrimination*. They could not discriminate among program participants based on race, sex, religion, nationality, disability, sexual orientation, or age.

## Strategic Recruiting

Knowing what to look for was the first step in the organizer's selection process, finding and recruiting potential members was the second. Here again the organizers harkened back to their previous experience, drawing on business development methods to select and develop target markets. Using these methods – which entailed being very strategic about where they chose to expand and how they recruited new members – the organizers moved rapidly from idea to execution in about six months.

The organizers developed two types of expansion strategies – one for expanding geographically and one for expanding via other existing networks. Their geographic expansion efforts involved identifying cities and communities across the US that were likely to be particularly fertile launch pads for new Encore Fellowships Programs. To assess a geographic market's potential, the organizers looked at several key elements. The first element was the availability of *an experienced talent pool*. The presence of large well-established corporations – like Procter and Gamble in Cincinnati or financial services firms in New York City – was perhaps the best indicator that a community could provide a good supply of potential Fellows.

The organizers also looked at *the maturity of a market's social purpose sector* and *the availability of funding*. The local nonprofit community needed to be sufficiently well established to appreciate and benefit from new talent and management techniques. Promising funding sources were also obviously important. To assess these elements, the organizers looked for the presence of businesses and local foundations that believed in human capital models for building nonprofit capacity. If national nonprofits had

established a local presence - such as a local United Way chapter - this often indicated that a community had a history of supporting social purpose initiatives. It might also suggest a culture of strong corporate philanthropy. The organizers believed that all of these factors indicated a market might be conducive to launching a successful Fellows Program.

The organizers used a variety of strategies to evaluate a potential market. When first getting to know a target community, they might reach out to the local chamber of commerce, the United Way, a community foundation, or a regional academic institution. According to Louie, these organizations could typically “*lay out the landscape of a specific community*” fairly quickly. Once the organizers had explained the EFN and its purpose, these initial contacts often introduced them to others in the local nonprofit community who could be helpful and possibly interested in operating or funding a program. In some cases, the organizers might contact the local Council on Aging or other age-related agencies. Since these groups typically operated as advocacy networks, they were often able to refer the organizers to other valuable contacts and relevant sources of information.

The strategies for expanding via other networks tended to be somewhat more opportunistic. As the network evolved, the organizers spent less of their time developing single-site geographic markets and more time scouting for prospective operators who could launch higher-volume programs through existing networks. They also looked for new sponsors that could support such programs. These included social purpose organizations like the California HealthCare Foundation (CHCF) and Aspiranet, large corporations like Intel and Hewlett-Packard, and even academic institutions with large alumni associations. Dr. Sophia Chang, program director at CHCF, described the program creation process in this way:

CHCF was able to define and launch a Fellows program in record time based on the quality of the tools, resources and support provided by the EFN. And now we see that our example is helping other programs get off the ground.

Because these network-expansion models were just evolving, the organizers had fewer criteria for assessing potential partners. Moreover, because distributed networks and large organizations took considerably longer to develop, the organizers tended to work with only a few at a time. Gaining access to the right contacts and building trust required introductions from trusted brokers, such as Civic Ventures’ staff members, or well-connected third parties like the Packard Foundation. As a result, the organizers relied heavily on indirect, personal relationships to establish connections. Nonetheless, the connections did not always pan out. In retrospect, the organizers realized that, in some cases, they had overvalued previous professional relationships and, in other cases, they had not done a good job assessing mission alignment. In short, developing institutional partnerships to expand via other networks appears to be a more emergent, less predictable process than developing the EFN’s basic geographic model.

*...developing institutional partnerships to expand via other networks appears to be a more emergent, less predictable process than developing the EFN’s basic geographic model.*

## Membership Tiers and Benefits: Core versus Periphery

A common tension in building networks is trying to simultaneously develop both the network's core and its periphery.<sup>24</sup> The question is essentially this: How should organizers allocate their time and attention between developing the network's core members while also engaging people and organizations at the periphery? Following the advice of earlier network builders, the EFN organizers thought carefully about the "strength of weak ties."<sup>25</sup> They saw that people and organizations at the network's periphery could provide valuable connections and resources that core members often lacked. For example, a Silicon Valley membership organization had a number of wealthy investors who wanted to sponsor Fellows for some of the social purpose organizations they funded. Though the organization did not want to run a program of its own, it hoped to collaborate with the EFN when opportunities for funding and hosting Fellows arose. Recognizing that periphery organizations could make valuable contributions to their mission, the organizers decided that the EFN should have several tiers of membership and a flexible architecture that would allow them to develop new roles as opportunities emerged.

*The entitlements the EFN reserves for its Core members encourage program sponsors and operators to design programs that will preserve the brand position and intended social impact of the initiative.*

Not knowing what types of roles or opportunities might develop as the network evolves, the organizers identified four "program tiers" that reflect different levels of overlap with the EFN mission and different degrees of compliance with its core criteria and membership guidelines (see Figure 8). In many ways, these tiers represent different categories of membership. At the core of the network are Civic Ventures Showcase Programs and entities with Core Program Designation. Showcase programs are owned and operated by Civic Ventures and provide the organizers with a lab for experimentation and learning. These programs operate in high-visibility markets such as the Silicon Valley and New York City, and tend to involve well-known corporate funders, foundations, and community nonprofits. Because they are operated directly by the EFN organizers and have high-status participants, the programs exemplify the EFN mission and are often able to attract national media coverage that benefits the entire network.

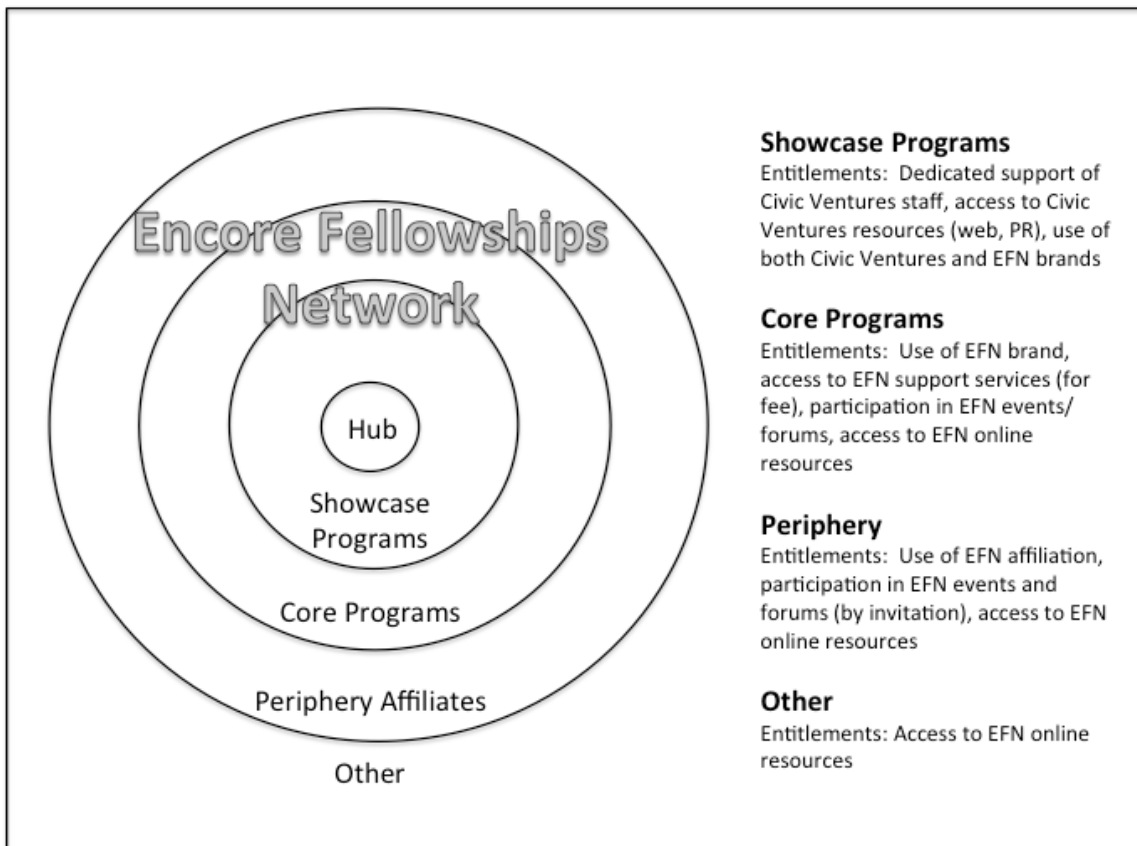
Core Encore Fellows Programs occupy the next tier. These programs demonstrate high fidelity with the EFN mission, even though they are run by independent operators. Core programs must pass through a careful selection process and agree to adhere to the EFN's Core Program Criteria and standardized processes. In return, they are entitled to use the EFN brand, all marketing and brand materials, and the EFN online tools, systems, and databases. They also receive training in the core processes and technical assistance in setting up their initial programs. Last, but not least, Core Programs are eligible for national corporate sponsorships – funding provided by large corporate sponsors that are recruited and managed by the hub.

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<sup>24</sup> Plastrik and Taylor (2006). *Ibid.*

<sup>25</sup> Granovetter, Mark (1974). *Getting a Job*. Cambridge, MA: Harvard University Press.

Figure 8: EFN Membership Tiers and Benefits



Source: EFN internal documents

Periphery Affiliates operate outside the network’s core. These are people and organizations that have an interest in supporting or participating in EFN activities, and conceivably could provide valuable resources, but they are not currently running an Encore program. The Silicon Valley membership organization mentioned previously would qualify as a periphery organization. Though formal arrangements have yet to be worked out, the EFN’s goal is to create new roles throughout the network that will allow other periphery organizations to contribute in ways that fit their interests, mission, and capacity.

The last program tier – labeled simply as “Other” – falls outside the formal network. The EFN defined this tier as *“programs run by others that may be informed or inspired by our work.”* These programs represent peers and beneficiaries, such as the Taproot Foundation, which might someday move into the network more formally.

Ultimately, by clarifying the network’s different tiers, the organizers sought to maintain a healthy balance in their various development efforts. In addition to working directly with their core programs to continuously learn and improve the network’s effectiveness, they also consciously looked beyond the core to find new opportunities for growth and innovation.

## Rigorous Selection Processes

Although the EFN created tiers of membership, it reserved certain entitlements for its Core members. It did this to,

...encourage program sponsors and operators to design programs that meet the standards for Encore Fellowships programs that will preserve the brand position and intended social impact of this initiative.<sup>26</sup>

To become a Core Encore Fellowships Program, prospective members are required to go through a three-stage selection process called the *Program Design and Approval Process*. The rigor of this process helps to build an understanding of what it will take to operate a program. It also weeds out potential members who lack the necessary commitment or support to implement an effective program and contribute to the broader network.

The first stage of the membership process requires prospective operators to write a *Concept Brief*. As with all major activities in an EFN process, instructions for developing a Concept Brief are laid out in a detailed document together with a basic template. The Concept Brief asks those interested in launching a program to create a high-level plan that outlines key elements of their proposed program including its overall purpose, how it fits with their mission and chosen social issues, and the anticipated sources of funding, fellows, and work hosts. The process suggests that member-candidates share the concept brief with their key stakeholders and use it to gain formal approval from their primary governing body.

Once a prospective program creator gains the approval of their board or other governing body, they then review their Concept Brief with the EFN central hub and move on to the *Program Development Phase*. At this point they are expected to put together a detailed description of the components and activities of their proposed program, including a budget and funding model. These components include things like the size and structure of the program, a plan for recruiting participants, an outline of the proposed administrative and operating support, and a funding model to cover all stipends and program costs. Prospective members are given access to a resource library with sample material and numerous examples from previous programs. At the completion of the Program Development Phase, the EFN hub conducts a design review with the prospective member to ensure that the program is soundly designed and that all requirements have been met. Following a successful review, the hub then issues a *Memorandum of Understanding* and approves the use of EFN logo and marketing materials.

*...a new member is provided with its own web portal and access to all automated tools, online documentation, and user training.*

When the final plan is in place and a program is ready to launch, the prospective member submits a formal application, which is largely a formality and final check. Once the final

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<sup>26</sup> As cited in *Core EFN Programs Process Document*.

application is granted, a new member is provided with its own web portal and access to all automated tools, online documentation, and user training. The program also becomes eligible for referrals and, in many cases, national sponsorships.

The EFN's extensive selection process guides all new members through the necessary stages of launching a Fellows Program and reassures the central hub that the resulting program satisfies all of the network's quality standards. Also, by codifying the process and involving the hub solely at key checkpoints, the organizers minimize the amount of time they have to spend with each successive program, thereby freeing up their time to develop new models and facilitate learning across the network.

## Network Governance: Clarifying Decision Rights

Networks require some form of governance to clarify decision rights and make sure that resources are acquired and utilized efficiently and effectively. In a nutshell, governance is about who gets to make what decisions and how those decisions are made. Governance systems range from structures of authority to community consensus to democracy to simple emergence (i.e., letting members do what they want and seeing what decisions bubble up). Many researchers point out that governance systems are rarely put in place at the beginning of a network. They typically evolve over time as the network figures out its operations.<sup>27</sup> At times, it can be an ambiguous process and create tension. The EFN's governance systems were certainly no exception.

As is often the case, the EFN organizers played the primary governance role during the network's first eighteen months. The organizers made all decisions with respect to the network's purpose, goals, operating principles, overarching systems and processes, membership rules, selection, standards, and evaluation.

However, even in the beginning, members were not entirely without decision rights. As long as they stayed within the general guidelines of the core design criteria, members enjoyed a great deal of autonomy in deciding how to tailor the program to their local community. For example, Nora Hannah, Chief Consortium Officer for Experience Matters in Phoenix, Arizona believed that her community would value (and support) a cohort experience with a strong professional development component. In addition, she saw opportunities to create events that combined the promotion of the Fellows Program with some of Experience Matters' other offerings. Using this discretion, she raised the visibility of the Fellows Program in her local community and significantly increased the number of applicants and potential work hosts.

Although the hub played a strong governing role during the network's early development, its goal was to move the network as quickly as possible to greater self-governance. By the end of the second year, the organizers were beginning to include members in policymaking decisions on issues that required coordination across programs. For example, in some cases, Fellows applying to one program might be willing to assume a Fellowship assignment in another program in the same geographic proximity. To explore the ramifications of various options, the organizers convened a committee of member representatives to discuss the issues and determine how best to handle cross-program

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<sup>27</sup> Plastrik and Taylor (2006). *Ibid.*

referrals. The organizers convened a similar committee to develop policies for sponsor referrals as well.

As the network developed, the organizers' began to think differently about some of their initial governance decisions. In particular, they began to shift their perspective on whether the codified processes and automated systems should remain optional or become mandatory. In effect, the network's governance system was beginning to evolve.

What made this evolution somewhat challenging was that the network's earliest members were accustomed to significant freedom in determining *how* to implement their programs once the hub had approved their design. Early members viewed the EFN's codified processes and automated reporting systems as *optional* tools they could use, adapt, or supplement to make their implementation efforts easier. If they found other ways to carry out specific program elements that worked better for their purposes, they simply modified the processes to meet their needs. Unfortunately, these modifications sometimes introduced variation that interfered with the hub's efforts to coordinate or improve the network as a whole.

*... Although the hub played a strong governing role during the network's early development, its goal was to move the network as quickly as possible to greater self-governance.*

As the organizers continued to refine the network's processes and advance its automated systems, they found that more standardized systems made it easier to share applicants across programs, coordinate national sponsor grants, and aggregate and compare data. Also standardized systems allowed the hub to identify programs that were performing below expectations and subsequently facilitate learning and improvement. However, these benefits were only possible if all network members used the systems in the same way.

At the time of the case study, the organizers were still in the midst of figuring out what should be optional and what should be mandatory. Network members were also not entirely clear about how much they were expected to stick to the codified processes or could deviate once a program design had been approved. For the most part, the program operators looked for guidance from the network, but made decisions based on the needs and demands of their local programs. The EFN organizers were beginning to weigh the implications and consequences of different governance options and deciding how best to move forward.

## Network Evaluation: Measuring Indicators of Network Performance

The EFN organizers embedded evaluation into the network's design from the very beginning. In fact, they considered evaluation critical to learning and improving the effectiveness of the Fellows Program. They recognized that operators were bound to try new ways of running local programs and that it would be useful to capture and disseminate their learning to help other programs. Similarly, the organizers also recognized that evaluation was important for accountability: Monitoring program results

would ensure that programs continued to satisfy participants and help to protect the integrity of the EFN brand. If core programs fail to meet the EFN's quality and performance expectations during their annual assessment, the organizers can rescind their core status.

The organizers have positioned the EFN's evaluation systems as a value-adding benefit rather than a control system. Simple to use and easy to administer, the tools save members the time and trouble of developing their own evaluation processes or hiring independent evaluators. This has been particularly appealing to large corporations and already-established networks, which recognize the importance and expense of developing rigorous evaluation processes.

The EFN's evaluation process consists of eight standard online survey instruments, which track Fellow and work host assessments during the program, upon the program's completion, and 12 and 24 months later. The surveys focus on program results, as well as estimates of Fellow impact. They ask Fellows and work hosts to report their satisfaction with different aspects of the program and to assess the significance and sustainability of the Fellows' contributions. In addition, they track changes in attitude about hiring private sector professionals and pursuing work in the nonprofit sector. Lastly, the evaluations track specific outcomes and changes in behavior such as job offers, job changes, or new hires.

In addition to monitoring the network's performance through surveys of participants and work hosts, the organizers also track other performance measures. For example, they track metrics documenting the network's growth such as the number of programs currently in operation and in the pipeline. They also plan to assess the network's evolving connectivity. This, however, is a much more complicated measurement task. To date, the organizers have begun to represent the network's connectivity by creating maps depicting the formal linkages among network members, work hosts, funders, and the hub. While maps – like the one in Figure 3 – depict the network's *formal* connections, the organizers have not yet attempted to map the *informal* advice and communication networks that will ultimately provide a more accurate representation of the EFN's connectivity.

## Network-Building Roles: Determining How the Hub Can Add the Greatest Value

Network builders typically play a number of different roles when launching a new network. Plastrick and Taylor, for example, identify seven roles that organizers commonly assume: Organizer, funder, weaver, facilitator, coordinator, coach and steward.<sup>28</sup> During the EFN's first two years, its organizers played virtually all of these roles, though not always at the same time. The organizers shifted their focus based on where and how they thought they could add the greatest value. As one might expect, this changed as the networked developed.

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<sup>28</sup> Plastrick and Taylor, *ibid*, p. 62.



## Job One: Organizing, Funding, and Facilitating

During the network's first year following the pilot effort, the organizers focused on *defining the network's strategy and clarifying its long-term direction*. This included developing the Network Design Blueprint. It also involved presenting the Blueprint to numerous stakeholders to get feedback and buy in. During this same time, the organizers replicated the original pilot effort in order to validate the program design and demonstrate proof of concept. Like the strategy and blueprint, the proof of concept contributed to the network's overall value proposition and helped to build confidence among key supporters.

As the organizers demonstrated the program's validity and built commitment to their strategy, they also worked to *secure funding for the network's operations*. They raised funds from sponsors and charged nominal membership fees to cover the network's infrastructure costs. They also used these funds to support the Silicon Valley and New York City programs, which they designated "showcase and innovation labs". The hub also began to cultivate national sponsors. They believed that large organizations with national reach could be an important enabler of the network's expansion efforts. National sponsors could provide funding to multiple programs and act as an anchor and catalyst in new communities. Because the funds were allocated centrally, they gave the hub yet another way to provide value to members and encourage their compliance with the network's recommended processes and standards. National sponsors also raised the networks' visibility. Intel, for example, agreed to sponsor Fellowships for retiring Intel employees in six states where large Intel facilities were located. Working together, Intel and Civic Ventures coupled the Intel program launch with a media campaign that resulted in press coverage from several national news outlets including *The Wall Street Journal*, *Forbes*, and *USA Today*.

*Intel, for example, agreed to sponsor Fellowships for retiring Intel employees in six states with large Intel sites.*

Finally, whenever possible, the hub supported *local fundraising efforts*. The Intel media campaign, for example, benefited several programs by stimulating local press coverage in papers like the *Portland Business Press* and *The Oregonian*. In addition, the hub provided seminars on fundraising strategies (e.g., "Developing a Corporate HR Proposal") and made Civic Ventures officials available to speak at local events. This support was especially valuable to the fundraising efforts of smaller programs.

The EFN organizers also spent the first year building targeted collective value propositions designed to appeal to a variety of markets. These *business development and marketing activities* helped to facilitate joint solutions and coordinate collective action. By meeting with a broad variety of potential members, the organizers began to envision new ways of brokering activities across organizations with different but compatible interests. The hub provided value not only by identifying and meeting needs directly, but also by coordinating members' actions so that they could find ways to satisfy their needs independently through the network.

Indeed, developing ways to coordinate joint action was perhaps the hub's most important role during the network's first year. Organizers facilitated early coordination by defining product features, clarifying design expectations, and establishing rigorous membership

criteria. These efforts strongly influenced the actions of prospective members and improved the consistency of their programs. The organizers also played a coordinator role by creating codified processes and automated tools. Although they coached and advised programs directly, the EFN's automated tools and systematic processes helped to ensure that program operators remained coordinated even in the organizers' absence. These systematic processes became increasingly important as the network began to grow and the hub shifted its attention to new value-adding activities.

During the network's second year – what organizers referred to as the “early growth” phase - the hub began to focus on other ways of adding value. During this period, the organizing team continued to build the network's resources and hone its competencies. But they also began to shift their attention to new areas of activity where they felt they could make a greater impact.

*...developing ways to coordinate joint action was perhaps the hub's most important role during the network's first year.*

## Developing and Testing New Program Models

As the network moved into its second year, the organizers began to spend more of their time *identifying models that could produce larger programs*. Developing new models that enabled high-volume placements was essential to accelerating the network's growth. Fortunately, the organizers viewed the flexibility of their basic model as one of the network's greatest assets. The flexible program design made it possible for programs to operate in a number of ways: They could be launched by community agencies, rolled out through nonprofit networks, developed by foundations committed to increasing their grantees' effectiveness, or funded and populated by corporations hoping to promote encore transitions among senior employees.

Illustrating the flexibility of the EFN's basic program model, the network now incorporates four variations. Although the models differ in significant ways, they each continue to adhere to the core program criteria, ensuring a common brand identity and shared experience.

- *Community programs* – Most of today's programs follow the community-focused model, pioneered by the original Silicon Valley pilot. For example, the Encore Fellows program in Maricopa County, Ariz., now one of the largest in the network, was created by Experience Matters, a regional nonprofit consortium whose program addresses a wide range of social issues.
- *Single issue programs* – The largest program in the network is focused on a single issue – community health care. Encore Fellows in Community Clinics matched 18 Fellows with local clinics and consortia to “help clinic leaders transform the delivery of health care to the underserved in their communities.” Sponsored by the California HealthCare Foundation, the program serves as a model for other community health care organizations around the country.
- *Single work host programs* – Aspiranet, a large social services nonprofit in California, created its own internal program in 2011, with seven Fellows in assignments ranging from business strategy and new venture creation to optimizing

operations and human resource processes. Aspiranet was one of the original pilot work hosts in 2009 and again hosted in 2010.

- *Network programs* – Finally, other networked organizations have created new distributed models. Social Venture Partners Portland, for example, introduced a successful community program, which its parent organization, Social Venture Partners International (SVPI) decided to adapt across its network. With affiliate organizations in 26 cities across the United States, SVPI recently announced the creation of its Encore Fellows program, with initial pilots in several cities slated to launch in 2012.

In all cases, the hub shepherded the development of a new program model and then codified it for production. Once a program had been codified, implementing it the next time required far less of the hub's attention. As Louie described it:

In the beginning, we [the hub] run alongside their bicycle, working with them to design a new program model. But over time we step back from the design phase. Once a new model is all worked out, we put new programs in touch with existing programs so they can adopt what the earlier programs have done. When a new program adopts an existing model, we only get involved through the formal [Program Design and Approval] process, which ensures that every new program goes through certain gates or checkpoints.

Without question, business development remained a key priority for the organizers during the early growth phase; however, they began to focus on multi-tiered programs that showed the potential for greater growth. Once again, they drew on their corporate sales experience. For every high-growth model they envisioned, they identified five potential relationships to cultivate. They reached out to prospects, got feedback on proposed designs, and made refinements. They would then partner directly with an organization that found value in the network, working together to develop the new program model.

Creating these more complex program models usually entailed collaborating with larger, more established organizations. In contrast to building programs with small nonprofits like Social Ventures Partners Portland or Experience Matters in Phoenix, developing programs with larger organizations was a longer, more complicated process. More people had to weigh in on decisions and more reviews and approvals had to take place along the way. This not only slowed the speed of development, it also meant that programs could stall or be cancelled after the organizers had invested considerable time and resources. However, when collaboration was marked by mutual respect and a shared value proposition, the extensive upfront planning typically paid off in spades. When programs finally launched, execution tended to be faster and more efficient. Nonetheless, in two separate cases the organizers over-invested in partnerships that ultimately lacked the necessary leadership commitment. Looking back, they acknowledged that assessing the viability and commitment of a potential partnership was an area where they still had more to learn.

## Strategic Weaving

Strategic weaving was another role that began to take on greater importance during the EFN's second year. In general, the term "weaving" refers to actions aimed at increasing both the quantity and quality of connections among actors in a network. Weaving also

involves making connections to people and organizations outside the network, especially those with valuable ties that are unique and different from those of the network's existing members.<sup>29</sup>

Many observers of social purpose networks argue that weaving is one of a network builder's most important tasks. However, while the EFN organizers viewed building connections as a major focus, they did not simply connect actors for the sake of making a more interconnected network. They *built connections to further the network's strategic objectives* – namely, growth, quality, and sustainable impact.

To spur the network's growth objectives, the organizers often put potential program operators in touch with more experienced operators. Current operators shared their experience, promoted the EFN's value, and thus helped the organizers recruit new participants. Similarly, to maintain quality, the organizers identified where pockets of expertise resided throughout the network and then connected those who needed specific expertise with those in the network who had the relevant knowledge. For example, when the Experience Matters' program in Phoenix was looking to develop a web site to support its new Fellows Program, the hub connected its program director with Paul Speer, the director of the SVP-Portland program. Having already developed a strong and successful web presence, he was more than willing to share Portland's web collateral with the Phoenix group. This saved the Experience Matters staff the time and expense of having to develop entirely new material. The connection also soon revealed other ways that the two members could benefit from each other. Experience Matters' director, Nora Hannah, had considerable expertise in the area of fundraising, which the Portland program lacked. Before long, Portland was reaching out to Phoenix for advice on fundraising.

*The network can strengthen each member organization by providing access to knowledge and resources that an individual organization would not have on its own.*

Finally, as the network grew, the hub began to create forums designed to increase the Fellows' impact. These forums directly connected Fellows across the network with similar functional backgrounds (e.g., finance, human resources) or working on similar assignments (e.g., brand management, internet strategy) to support one another in the work they were doing with their nonprofits. Fellows could leverage each other's expertise by sharing tools, models, frameworks and other experience that enabled them to be more effective in their assignments. These forums leveraged expertise located throughout the network to help Fellows make a greater impact in the nonprofit communities they sought to support.

## System-Wide Learning

The organizers also believed they could add unique value by taking a lead role in building the network's learning habits and capabilities. From the very beginning, the organizers had been committed to encouraging member self-reliance and peer collaboration. Their goal was to shrink the role of the hub so that members would eventually share full responsibility for the network's overall health and direction. This required program

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<sup>29</sup> Plastrik and Taylor (2006), *Ibid.*

operators and other network members to take responsibility for managing their own learning as well as the policies and practices that would enable learning across the broader network.

The hub facilitated system-wide learning in several ways. First, the organizers strongly encouraged all members to use the *online communication platforms and information systems*. The online community site included user forums where members could post questions, raise issues, and share ideas. When members reached out to the hub with questions that touched on issues that all members should know about, the organizers typically asked them to post the discussion on the community site so that everyone could learn from the exchange. The hub also used the site regularly to announce upcoming events, to poll members for input on policy issues, and to coordinate activities that spanned programs (e.g., national media campaigns). In each case, members were invited to weigh in, ask questions, or simply monitor the discussion to stay abreast of important topics.

Another way the organizers supported system-wide learning was by organizing *regular communication and learning forums*. Some of these were designed so that new programs could learn directly from the experience of more mature programs. For example, when the Maricopa County Encore Fellows program launched, Fellows and work hosts from the Silicon Valley program spoke at one of Maricopa's first cohort events to share the lessons of their experience with a new crop of Fellows. Other learning forums were directed primarily at program operators.

*"My peers around the country were a big resource. We're sort of all in the same boat, so I leaned on the programs that had been operating a few months longer than ours. We all actively reuse each others' work."*

The Community of Practice conference call was the most regular forum. This monthly discussion convened all program operators and hub staff to discuss ongoing topics, such as upcoming program launches, national sponsorship developments, or new innovations being tested by individual programs. In addition, the hub conducted regular webinars to keep people up-to-date on new tools and technology enhancements. Both the Community of Practice sessions and the webinars were typically archived online so that people could listen to sessions and review presentation material at a later date.

One of the best ways to promote system-wide learning in a network is to *encourage and enable members to communicate directly with each other*. The organizers saw this weaving role as increasingly important to the network's health and vitality, especially as new members began to join at a faster pace. Paul Speer, director of the Encore Fellows program at Social Venture Partners Portland, emphasized the importance of the hub's weaving role:

The hub introduces everyone and makes it clear that they're relying on the network to reach out to each other. My peers around the country were a big resource. We're sort of all in the same boat, so I leaned on the programs that had been operating a few months longer than ours. We all actively reuse each others' work.

Although the organizers did their best to connect members with other members for support and assistance, member-to-member communication during the network's early growth period progressed more slowly than expected. Most likely, this initial lag can be

attributed to specific factors related to the network's newness. These might include things like: the network's initial hub-and-spoke structure, which directed attention through the hub for many processes; the lack of strong communication norms so early in the network's history; and the fact that there was relatively little interdependence among members as they created and operated their individual programs. As the network matures, and experiences begin to vary, there will likely be more situations that elicit direct member-to-member communication and information sharing.

Lastly, the organizers have developed *standardized evaluation tools* and several *automated systems* designed to facilitate system-wide learning. The effectiveness of these tools depends critically on the extent to which program operators use them consistently across the network. Moreover, experimentation across programs will have to be managed and monitored carefully to properly interpret the data the systems generate. At this point in the network's evolution, most program operators are only midway through their first cohort-year. As such, it is too early to tell just how well the tools and evaluation systems are working or what learning they will produce. Nonetheless, by building evaluation directly into the infrastructure and creating processes and norms to support continuous learning, the EFN is poised to capitalize on the natural variation that makes networks such a unique and promising vehicle for growth.



Paul Speer, director of the Social Venture Partners Portland Encore Fellows program, shown with Fellow Cheryl Edmonds. **(Brent Wojahn/The Oregonian)**

## Building the Brand

Finally, since the beginning, the hub has taken primary responsibility for developing and safeguarding the network's brand. The organizers have carefully defined product features and created detailed processes for building high-quality programs. They have been strategic and selective in recruiting program operators and have carefully screened out those who appear to lack the commitment or capabilities needed to uphold the EFN's standards. They have integrated checkpoints and reviews into the design process to ensure consistency across programs. And, they plan to conduct status reviews annually to make sure that members adhere to the EFN's programmatic guidelines and meet its quality and sustainability expectations.

The organizers have also been patient and purposeful in how they use the media to promote the brand. Immediately following the success of the pilot effort, the *New York Times* wrote a glowing article about the Silicon Valley program. The article generated a lot of interest in Fellowships across the country. While the publicity was good, the timing was not ideal: The organizers had not yet launched the network and therefore had little to offer the throngs of people who wrote in for information about how to get involved. It was a good lesson.

In light of the pilot's experience with the *New York Times* coverage, the network organizers were very strategic in planning their first outbound media campaign. They wanted the campaign to attract a lot of interest, but they also wanted to time the publicity so that it would be helpful to new program operators. In particular, they wanted to raise

the network's visibility at a point when it would be most beneficial to local recruiting and fundraising efforts.

The organizers also hoped that media attention would stimulate new growth opportunities. For example, they timed their initial media campaign to follow the national roll-out of the Intel program. With ten programs in place, and partnerships with major corporations like Intel, Hewlett-Packard, and Goldman Sachs, the organizers felt it was the perfect moment to get their story out. Up until this point, it would have been difficult for any one of the local programs to attract large-scale media attention. But, as a national network – and with the hub playing the role of press secretary – the EFN now had a compelling story that merited national attention. They expected the media attention to generate interest in new regions and sectors and, ideally, among new corporate sponsors.

*...a number of standardized evaluation tools and other automated systems ... facilitate system-wide learning.*

This time, when people read about the Fellows Programs and reached out for more information, the organizers were ready. Interested applicants were directed to programs in their local communities, thereby benefiting local program operators. When there were no programs nearby, organizers aggregated inquiries and used them to pinpoint attractive new markets. The data helped the organizers with their initial outreach and recruiting efforts by providing hard evidence that people were interested in supporting the program in the new community.

As the network has moved further into its growth phase, brand building has become an increasingly important role for the hub. Not surprisingly, because of the hub's focused attention, the brand has also become an increasingly valuable network asset.

## 6. Challenges and Tensions

Without question, network building is rarely easy. The EFN organizers faced a number of challenges as they sought to build their new network almost entirely from scratch. Although it would be reassuring to think that many of these challenges were primarily a function of the EFN's newness, network experts suggest otherwise. Researchers believe that many of the challenges that networks grapple with stem from deep tensions that are simply an inherent part of network life. They arise to some extent in virtually all networks and most likely occur throughout a network's lifecycle, reflecting the highly decentralized, often fluid structure that makes networks so appealing.<sup>30</sup>

The EFN is clearly no exception. Having established the network to achieve multiple objectives, the organizers continue to wrestle with competing demands and several ongoing challenges. Unfortunately, there are no easy fixes. No one governance model or management solution can resolve both sides of a given tension, let alone multiple

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<sup>30</sup> Provan and Kenis, (2007), *ibid*.

tensions simultaneously.<sup>31</sup> Like other successful network builders, the EFN organizers have discovered that managing a network is a continuous balancing act. It requires structures, processes, and practices – some deliberate, others emergent – that complement one another to create a dynamically aligned system that evolves and recalibrates as the network grows. Having looked at the components of the EFN’s system (i.e., the Network Design Blueprint), we now turn our attention to some of the difficulties that the EFN has grappled with, including those that continue to pose unresolved challenges. By considering some of these tensions ahead of time, future network builders may be better prepared to handle the challenges and better positioned to find the right balance in their own networks.

*... managing a network is a continuous balancing act.*

At least four challenges emerged during the EFN’s early growth period:

- 1) Building the network while operating the network
- 2) Balancing the need for both flexibility and coordination
- 3) Maintaining the integrity of the brand while offering diverse value propositions
- 4) Leading, then ceding control of network decision rights

Each of these had become apparent by the end of the network’s second year. In addition, network participants identified three additional issues that they believe may become increasingly important as the network expands. Addressing these challenges will likely be vital to achieving the network’s longer-term objectives, especially if the organizers hope to shrink the role of the hub and transition to a less-centralized operating model.

## Building the Network While Operating the Network

Network builders usually have to learn about networks even as they try to do networks.<sup>32</sup> This becomes more challenging as the network grows because organizers must plan for the network’s future expansion while also managing – and learning from – its ongoing operations. Sophia Chang, the Executive Sponsor for the California HealthCare Foundation’s Encore Fellows Program, noted that making decisions about the future while still figuring out the present can be difficult:

It’s a little tricky – if we’re to pilot and move forward, we need to be planning for the future and factoring things into budgets, but the Fellows are barely even placed at this point.

Because the EFN organizers are committed to growing the network quickly while keeping infrastructure costs low, they face a similar dilemma. They constantly have to make choices about where their limited time and resources can make the greatest impact. There are difficult trade-offs. With ten programs actively underway, the organizers recognize that it is no longer feasible to remain fully involved in the design and operation of each individual program. Moreover, their strategy to accelerate the EFN’s growth

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<sup>31</sup> Provan and Kenis, (2007), *ibid*.

<sup>32</sup> Pastrick and Taylor (2006), *Ibid*. p. 62.



through broader, multi-tiered sub-networks requires that they focus more attention on developing new expansion models and cultivating relationships with larger institutions. As the organizers shift their attention away from the day-to-day activities of the program operators, and replace that involvement with automated systems and tools, they have become less connected to the operators just as the operators have begun to experience an increase in reporting requirements and the added workload of learning new systems.

Discussions with several operators indicate that some members are beginning to feel that some of the centralized processes are too labor intensive. Others feel that they impose reporting requirements that are too time consuming. Simply ignoring these frustrations runs the risk of stalling the expansion effort: If early members pull out, it will become all-the-more difficult to recruit subsequent members. However, prioritizing partner development has also proven to be difficult. Early on, the organizers had no funnel management processes to evaluate and choose among the many contacts and referrals that were sent to them. This led them to waste time with organizations that lacked mission alignment and to overweight organizational and personal relationships that ultimately never panned out. The challenge for the organizers boils down to investing wisely in future-growth opportunities while staying close enough to their members to monitor, learn, and respond to their concerns. In short, they have to find ways to manage the tension between developing the next generation of network participants and satisfying the current generation, all the while learning from both sets of experience.

*...listening to feedback from local operators improved the network's policies and practices and enhanced its vitality.*

## Balancing the Need for Both Flexibility and Coordination

Balancing the need for coordinated collective action and the desire for local flexibility is the classic challenge facing virtually any organizing system. Networks face this challenge in spades due to their highly decentralized, often emergent structure.

Because the EFN is a production network, the organizers view coordination as one of their most important tasks. From the hub's perspective, coordination produces a number of network benefits:

- It increases the probability of offering consistent, high-quality programs
- It enables more efficient information sharing and improves the potential for network-wide learning
- It helps to demonstrate and communicate the network's collective impact
- It strengthens and protects the network's brand
- It satisfies large corporate sponsors who want to ensure equity and protect their own brand value. Intel, for example, wanted to be sure that the terms of its program were communicated consistently to all employees and carried out fairly across all operators.

For the most part, individual program operators appreciate the importance of coordination and consistency. Even so, they sometimes want the freedom to deviate from standard practices in order to achieve benefits at the local level. Typically these benefits involve increasing local efficiency or reducing workloads. As an illustration, a few programs have expressed the desire for more flexibility in managing reporting requirements. They would like to adjust the timing of reporting requirements to fit more easily with their organization's existing planning cycles. Similarly, other programs would like to streamline the matching process by shifting more responsibility to the Fellows and work hosts. This would reduce some of the logistical burden placed on the program operators, which some directors think would allow them to increase the size of their programs.

Lastly, operators sometimes wanted additional freedom so that they could be responsive to their constituents. A couple of operators mentioned that they would like to reduce some of the reporting requirements placed on their work hosts. In another case, an operator wanted more flexibility in customizing the cohort experience. In most cases, the tension between network coordination and local flexibility surfaced when the immediate interests of a program operator or local community somehow conflicted with what the hub considered to be the interests of the broader network. When operators felt strongly about deviating from a recommended practice, the hub monitored the situation and viewed the feedback as a learning opportunity. They might share an operator's practices with other operators to get broader input. Or, they might factor the feedback into subsequent systems upgrades or policy decisions. Ultimately, listening to feedback from local operators improved the network's practices and enhanced its vitality.

*...the core message continues to emphasize mature talent, fulfillment through social purpose work, and social norms that encourage all adults in the later stages of life to give back to society.*

## Maintaining the Integrity of the Brand While Offering Diverse Value Propositions

As mentioned in the discussion of the Network Design Blueprint, developing multiple value propositions allows the EFN to attract a broad range of participants – community-based nonprofits, foundations, corporations, and older employees, to name a few. In many ways, offering multiple value propositions is essential to growing the network because each program requires four sets of constituencies to operate (i.e., Fellows, work hosts, operators, and sponsors). By creating a range of benefits tailored to different communities and offering different ways to participate in the network, the EFN organizers have increased the chances that actors from different sectors will see a reason to join.

However, despite the benefits, multiple value propositions also create challenges. From the beginning, Civic Ventures' leaders have been concerned about maintaining the meaning and integrity of the encore concept. Because they have spent years building the encore brand, they want to be sure that the core message continues to emphasize mature

talent, fulfillment through social purpose work, and social norms that encourage all adults in the later stages of life to give back to society. With so many value propositions being offered through the EFN, Civic Ventures continues to worry that the network may ultimately muddy encore's intended meaning. Specifically, some senior officials have expressed concern that the term 'encore' may become equated with "helping nonprofits gain access to cheap sources of talent" rather than "helping experienced talent find fulfillment through social purpose work". As such, a big challenge facing the EFN organizers is figuring out how to ensure that the EFN's many diverse value propositions will in no way dilute or confuse Civic Ventures' core brand message.

In addition to messaging, value propositions introduce variation that can be problematic in other ways as well. Different value propositions create tangible differences in model design and program execution, especially as the network grows. For example, the mechanics of a program can differ considerably depending on the program operator or key sponsor. A program spearheaded by a local nonprofit such as Social Ventures Portland has a different dynamic and set of concerns than a program sponsored by a large foundation like the California HealthCare Foundation or a major corporation like Goldman Sachs. Different operating models introduce variation across the network and this variation becomes more complex as the network expands. The challenge for the organizers is predicting (or at least paying attention to) the point at which the costs of complexity may begin to exceed the benefits of variation. In other words, how much variation in model design can the network tolerate before collective value propositions begin to lose their meaning, the brand is confusing, and there is little to hold the network together? The organizers will have to closely monitor the effects of variation and determine when and how the network may need to focus to optimize overall performance.

## The Challenge of Leading, then Ceding

Another critical challenge facing the network organizers is determining how to transfer responsibility for the network's governance and core operations from the hub to the members. Although the organizers stated from the beginning that they planned to transition governance responsibilities and many of the hub's management roles to member organizations, by the end of the second year none of the member organizations appeared ready or willing to take on additional responsibilities. Most were still piloting their first Fellows cohort and working out the logistics of running a new program. As the EFN enters its third year, it remains unclear how the organizers will begin to incorporate members into the governance system or how roles will be transitioned over time.

In a similar vein, some operators have mentioned that turnover among program directors is also a concern. Program directors play a major role in launching and managing Fellows Programs and can have a big impact on a program's continuity and sustainability. Many of the initial program directors were hired as "seed Fellows" for a fixed term of 12-18 months. Others were already full-time employees who agreed to assume the director's role temporarily while their employer – a new program operator – figured out a suitable replacement. In several cases, seed Fellows have reported that the workload for a new program director is actually quite substantial, coming close to full-time. They worry that this workload will be difficult for a program operator to absorb without a dedicated Fellow. They also maintain that many operators are reticent to hire or assign personnel to run the program full-time, preferring instead to outsource the program's operations if

possible. These concerns underscore the challenges facing the hub as it tries to get local operators to assume greater responsibility for the network as a whole.

Indeed, despite the organizers' best efforts to encourage member collaboration and joint problem solving, the hub still continues to orchestrate much of the communication among members. There are certainly notable exceptions: The programs located in and around the San Francisco Bay area have begun to share candidates and coordinate cohort events. In addition, Fellows have begun to reach out to other Fellows to share ideas that can enhance the work they are doing for their nonprofits, with program directors facilitating these connections. But, from the hub's perspective, creating a sense of shared ownership is an ongoing challenge. Although centralized leadership has been important for establishing the network's strategy, direction, and infrastructure, the organizers believe that a centralized structure and governance system could eventually create bottlenecks. Reflecting this sentiment, Louie likes to say that the hub's role is to "lead, then cede". But knowing precisely when to lead and when - and how - to cede is one of the more difficult aspects of managing the Encore network.

## Challenges on the Horizon

In addition to the tensions that have already begun to play out in the network's first couple of years, other challenges loom off in the not-so-distant future. Many of these have surfaced as planning has turned to implementation: Early efforts have revealed issues that are more complicated, or simply different, than what the organizers originally envisioned.

### Network Culture

The first challenge involves creating a network culture. When managers design an organization, they typically rely on three major design levers to achieve coordination and encourage effort. These include an organization's structure or "architecture," its processes or "routines", and its culture.<sup>33</sup> While networks represent a different type of organizing system, their levers are essentially the same, though they may be executed a little differently. While the EFN organizers had thought carefully about the network's structure and created a number of codified processes, they had given relatively little thought to designing the network's culture. In fact, very few network experts have much to say on the topic of culture or how network builders might shape and use culture to their advantage.

Because the EFN has yet to develop a strong common culture, members tend to operate according to the norms and values of their home institutions (both current and past). These include high-tech, health care, banking, nonprofit, and many others. While the diversity can produce some nice benefits, it also creates cultural differences that sometimes hamper communication and collaboration. For example, people hold different beliefs and expectations about hierarchy, authority, formal processes, meeting etiquette, communication, and many other work habits. People from banking, for instance, tend to be more accustomed to hierarchy, standard procedures, formal communication, and risk control. People from high-tech, on the other hand, tend to downplay formal hierarchy, test the limits of established processes, share ideas freely, and value risk-taking and innovation. The differences – together with the lack of a

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<sup>33</sup> Saloner, Garth, Shepard, Andrea, and Podolny, Joel (2001). *Strategic Management*. John Wiley & Sons, Inc.

unifying culture – have created uncertainty about the network’s norms and expectations. How are people expected to contribute to group meetings? Should they share half-baked ideas during formal discussions? When is it appropriate to reach out to other members?

One challenge facing the hub is how to create cultural norms that complement the norms of members’ home organizations. As the network continues to grow, and members become increasingly diverse, shared expectations and a common culture will likely be a big factor in the network’s ability to become self-sustaining.

## Defining End Goals

Next, some people worry that although the EFN organizers have a very ambitious scaling plan, they have no clearly defined end targets. The question thus becomes, how much growth will be sufficient for achieving the network’s goals, and how much growth can the network truly handle? Plastrick and Taylor assert that because production networks set out to accomplish something quite specific, their membership is typically “right-sized to the particular goal.”<sup>34</sup> At some point in the near future, the EFN organizers will have to decide whether the network is growing for the sake of growth (and ever-increasing impact), or if the returns to growth will eventually top out.

*One challenge facing the hub is how to create cultural norms that complement the norms of members' home organizations.*

## Monitoring Network Health

The third challenge looming in the distance is how to monitor the network’s overall health and vitality. The network has a strong evaluation system designed to measure program outcomes, but the organizers have not yet determined how to assess the network’s performance as a network. In other words, what measures should they examine to evaluate the network’s robustness, resilience, or adaptive capacity? How might they assess the interconnectivity of the network’s members and the extent to which the network is bringing people together efficiently? How strong is the brand, and what value is it providing? As the network grows, the organizers will have to develop methods for evaluating more than just program-level outcomes. They will need to monitor the very pulse of the network itself, evaluating everything from member engagement to the distribution of funds and learning.

## 7. Early Results

The Encore Fellowships Network has made enormous strides in its first two years. It has met aggressive growth targets while maintaining high quality standards and controlling costs. With 100 Fellows providing professional services across 12 metropolitan regions, the network is already larger than many more established fellowship programs. In terms of service and impact, the EFN’s 100,000 hours of high-impact service compares

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<sup>34</sup> Taylor and Plastrick (2006), *ibid*, p.45.

favorably to other well-known programs such as Taproot's Service Grant Program.<sup>35</sup> If the network continues to stay on target, by 2013 it will be one of the nation's largest programs bringing experienced private-sector professionals to the nonprofit talent market.

Notably, the EFN has managed to achieve its impressive growth rates while carefully protecting the integrity of its program design and maintaining quality. While it is still early in the network's development, interim program evaluations indicate that newer programs are achieving ratings consistent with the overwhelmingly positive results of the pilot. Moreover, the quality of candidate resumes remains high and the positions offered by nonprofit work hosts continue to provide opportunities for significant impact. As further evidence of the programs' ongoing quality, work hosts also continue to request additional Fellows. Eighty-six percent of the nonprofits hosting a Fellow in 2010 requested another Fellow in 2011, many agreeing to pay full stipend and program costs. Taken together, these results strongly suggest that new programs are maintaining the network's quality standards.

The network has also strengthened its organizing capacity. Though there is a long way to go, there are many indicators that the EFN organizers have made considerable headway toward their objective of developing a fast-replicating, self-sustaining network. In just over a year, the network has moved from a simple hub-and-spoke model to a multi-tiered structure comprised of networks spawning networks. Partnering with networked organizations like the California HealthCare Foundation and Aspiranet, the EFN is pioneering new ways of placing experienced talent in the nonprofit market on a much larger scale than many existing programs.

The network's organizing capacity is also clearly reflected in the sophisticated infrastructure and sustainable funding model it established during its first 18 months. Program materials, processes, automated tools, and online information systems now make it possible for independent operators to design and launch high-quality programs in record time. A low-cost, fully integrated online platform helps new programs access information quickly, and stay up-to-date, while also allowing the hub to track progress and coordinate the network's activities. Consistent with its sustainability objectives, the EFN's program design distributes fundraising responsibility throughout the network. When it is strategically important, the hub may provide seed funding or allocate national program sponsorships to help launch new programs. Otherwise, each new program must have a sustainable financial model in place to qualify for network membership. This ensures that each program is self-funding from day one. This distributed financial model strengthens the network's resilience because programs are not dependent on a single centrally-run development office or a single funder for their program's survival.

*The hub has convened major organizations, foundations, nonprofits and hundreds of people entering encore careers...to act collectively toward a single goal.*

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<sup>35</sup> Taproot's Service Grant Program has generated 780,000 hours of pro bono service in five cities over ten years. [www.taprootfoundation.org/](http://www.taprootfoundation.org/)

Another indicator of the network's growing capacity is the hub's success bringing together unaffiliated organizations to create solutions to problems that would otherwise remain unresolved. The hub has convened major organizations, foundations, nonprofits and hundreds of people entering encore careers, getting them to act collectively toward a single goal: Creating transitional pathways for business professionals to use their experience to improve their communities and society. The hub has also developed new ways of participating in the network. Although core program status is tightly regulated, the flexibility of the network's architecture makes it possible to incorporate new roles and new forms of membership. These new roles allow a broader range of people and organizations to contribute to the network, bringing whatever capabilities and resources they are able to offer.

## 8. Conclusion

In 2009, the Encore Fellows Pilot Program clearly demonstrated that under the right conditions, with well-designed transitional pathways, experienced corporate employees could add tremendous value to social purpose *organizations*. Two years later, the impressive progress of the Encore Fellowships Network offers a similar lesson. It suggests that disciplined strategic planning, structured processes, and well-coordinated information systems – management practices common in many well-run organizations – can similarly strengthen the development of nonprofit *networks*.

Although many in the nonprofit community emphasize the differences between building networks and managing more centralized forms of organizing, the EFN experience suggests that when production networks are used for scaling and replication purposes, the value of upfront planning, systematic processes, and centralized information systems should not be underestimated. Disciplined planning and formal processes allow organizers to establish direction and ensure consistency throughout the network more efficiently. Once these systems are in place, organizers can then redirect some of their limited time and resources to other more emergent activities where they can add greater value. For the organizers of the EFN, these emergent activities included developing strategic partnerships and new value propositions, creating new models to expand the network and accelerate growth, supporting entrepreneurial initiative, and brokering learning and innovation across the network. In short, the EFN's experience suggests that the key to building an effective production network is blending deliberate and emergent practices to unleash a network's value rather than trying to completely control the network's evolution or relinquishing all responsibility to the members.

*... for those thinking about scaling a successful social change program, ... the EFN provides a number of practical strategies, methods, and issues to consider.*

In many ways, the success of the EFN may indeed boil down to how its organizers have managed this mix of deliberate planning and emergent practice. The organizers used deliberate planning and formal processes to define their scaling strategy; to design and organize the network (e.g., its structure and processes); to coordinate essential activities; and to create network value. Once systems and processes were firmly in place to ensure consistent standards and program quality, network organizers then focused their attention on activities that were, by nature, more emergent. They relied on emergent processes to come up with new program models, to develop strategic partnerships, and to strengthen relationships among members.

Blending the deliberate and the emergent requires care to ensure that one set of practices does not overpower or conflict with the other. Allowing too many emergent processes can dilute program quality, reduce reliability, and damage the network's brand. Likewise, establishing too many formal rules and procedures can squash the natural variation that makes networks so innovative and adaptive. With a deliberate scaling strategy and well-defined mission, the EFN organizers were able to execute their network with both focus and flexibility, thereby capturing the best of both worlds. Certainly, there is a lot yet to learn from the EFN experience. But for those thinking about scaling a successful social change program and exploring their options, the EFN provides a number of practical strategies, methods, and issues to consider.

*In short, the EFN's experience suggests that the key to building an effective production network is blending deliberate and emergent practices to unleash a network's value rather than trying to completely control the network's evolution or relinquishing all responsibility to the members.*



# Appendix A

## Active Encore Fellows Programs (as of March 2012)

### **Aspiranet**

#### **Encore Fellows**

Program director: Janet Luce  
Email: [jluce@aspiranet.org](mailto:jluce@aspiranet.org)  
Phone: (650) 866 -4080, ext. 1162  
Region: San Francisco Bay Area, California's Central Valley and Los Angeles  
Org: Aspiranet  
[www.aspiranet.org](http://www.aspiranet.org)

### **Central New Mexico**

#### **Encore Fellows**

Program director: Amy Duggan  
Email: [amy.duggan@uwcnm.org](mailto:amy.duggan@uwcnm.org)  
Phone: (505) 247-3671  
Region: Central New Mexico  
Org: United Way of Central New Mexico, Center for Nonprofit Excellence  
[www.uwcnm.org](http://www.uwcnm.org)

### **Encore Fellows in**

#### **California Community Clinics**

Program officer: Melissa Schoen  
Email: [mschoen@chcf.org](mailto:mschoen@chcf.org)  
Phone: (510) 587-3184  
Region: San Francisco Bay Area, Central Valley and expansion to other areas in 2012  
Org: California HealthCare Foundation  
[www.ef-ccc.org](http://www.ef-ccc.org)

### **Intel Encore Career Fellowships**

Program coordinator: Rick Henderson  
Email: [rick.e.henderson@intel.com](mailto:rick.e.henderson@intel.com)  
Region: U.S. Intel Corp. sites  
Org: Intel (in partnership with multiple programs)

### **Maricopa County**

#### **Encore Fellows**

Chief consortium officer: Nora Hannah  
Program director: Linda Mason  
Email: [lmason@experiencemattersaz.org](mailto:lmason@experiencemattersaz.org)  
Phone: (602) 973-2212  
Region: Maricopa County, Ariz.  
Org: Experience Matters  
[www.experiencemattersaz.org](http://www.experiencemattersaz.org)

### **New York**

#### **Encore Fellows**

Program director: Antoinette La Belle  
Email: [tlabelle@encorefellowships.net](mailto:tlabelle@encorefellowships.net)  
Phone: (917) 361- 6638  
Region: New York, Washington, D.C., and Massachusetts  
Org: Civic Ventures  
[www.encore.org/fellowships](http://www.encore.org/fellowships)

### **Sacramento, Calif., Sierra Region**

#### **Encore Fellows**

Program director: Karen Nelson  
Email: [karen@alf-mvc.org](mailto:karen@alf-mvc.org)  
Phone: (916) 920-5669  
Region: Sacramento/Sierra region  
Orgs: American Leadership Forum – Mountain Valley Chapter and Nonprofit Resource Center  
[www.alf-mvc.org](http://www.alf-mvc.org)

### **Silicon Valley**

#### **Encore Fellows**

Program director: Gina Cassinelli  
Email: [gcassinelli@encorefellowships.net](mailto:gcassinelli@encorefellowships.net)  
Phone: (408) 832- 6269  
Region: San Francisco Bay Area  
Org: Civic Ventures  
[www.encore.org/fellowships](http://www.encore.org/fellowships)

### **Social Venture Partners Portland Encore Fellows**

Program director: Paul Speer  
Email: [paul@svpportland.org](mailto:paul@svpportland.org)  
Phone: (503) 222-0114  
Region: Portland, Oregon  
Org: Social Venture Partners Portland  
[www.svpportland.org](http://www.svpportland.org)

### **Social Venture Partners**

#### **Encore Fellows**

Program director: Rona Pryor  
Email: [rona@svpi.org](mailto:rona@svpi.org)  
Phone: (206) 728-7872, ext. 11  
Region: Seattle/Tacoma, Wash., and to be determined  
Org: Social Venture Partners International  
[www.svpi.org](http://www.svpi.org)

Under active development as of March 2012: Arkansas, Boston, Cincinnati, Minnesota, North Carolina and San Diego, and a national expansion of Encore Fellows in Community Clinics. For more information, please contact: Leslye Louie, national director, Encore Fellowships Network, at [llouie@encorefellowships.net](mailto:llouie@encorefellowships.net)

## Appendix B

### Interviews Conducted

#### Civic Ventures Staff and Board Members

Jim Emerman	Executive Vice President Civic Ventures
Lyle Hurst	Network Director, The Encore Fellowships Network Civic Ventures
Leslye Louie	National Director, The Encore Fellowships Network Civic Ventures
Webb McKinney	Director/Board Member Civic Ventures
Nancy Peterson	Vice President Civic Ventures

#### Funders and Sponsors

Caroline Barlerin	Director, Social Impact Sustainability and Social Innovation Hewlett-Packard Company
Vernon Brown	CEO Aspiranet
Sophia Chang	Director, Better Chronic Disease Care California HealthCare Foundation
Rick Henderson	Human Resources Manager Intel Corporation
Amy Houston	Managing Director, Management Assistance Robin Hood Foundation
Stephanie McAuliffe	Director (former) Organizational Effectiveness Grantmaking The David and Lucile Packard Foundation

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## Funders and Sponsors

(continued)

Camila Nelson	Global Community Engagement Manager Sustainability and Global Social Innovation Hewlett-Packard Company
Kathy Reich	Director, Organizational Effectiveness Grantmaking The David and Lucile Packard Foundation
Gwen Robinson	Vice President Goldman Sachs Urban Investment Group
Gabriele Zedlmayer	Vice President Sustainability and Social Innovation Hewlett-Packard Company

## Program Operators

Mark Cator	Program Director Legacy Venture Encore Fellows
Gina Cassinelli	Program Director Silicon Valley Encore Fellows
Sharon Fusco	Director of Business Results and Innovation Council on Aging of Southwestern Ohio
Nora Hannah	Chief Consortium Officer Experience Matters
Mark Holloway	Executive Director Social Venture Partners Portland
Yvonne Hunt	Chief Philanthropy Officer Legacy Venture
Antoinette La Belle	East Coast Program Director New York Encore Fellows

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**Program Operators**

(continued)

Janet Luce	Program Director Aspiranet Encore Fellows
Rona Pryor	Program Director Social Venture Partners Encore Fellows
Carol Rudisill	Program Director Encore Fellows in California Community Clinics
Melissa Schoen	Senior Program Officer, Better Chronic Disease Care California HealthCare Foundation
Paul Shoemaker	Executive Connector and Director Social Venture- Partners Seattle
Paul Speer	Program Director Social Venture Partners Portland Encore Fellows
Sue Wilke	Executive Director (retired), Proctor & Gamble Executive Director, Leadership Council of Human Services, Cincinnati, Ohio

# Appendix C

## Network Scaling Checklist

*Do you have a promising program that you believe could make a significant social impact if it were scaled? This checklist can help you decide whether a network scaling model might be right for your organization and what you should think about before launching.*

Checklist	Yes	If not...
1. Your program is producing strong, positive results		Continue to hone program design
2. You have conducted a formal evaluation to validate results		Conduct an independent evaluation
3. You lack the capital resources to grow the program quickly and make the impact you desire		Consider whether a network scaling model will require you to cede program control critical to your program's success or allow you to gain greater leverage and impact than you could achieve on your own
4. You can clearly describe your program model and illustrate it graphically		Articulate a clear program model that includes your strategic logic, key constituencies, expected relationships, a sustainable funding model, growth projections, and quality controls
5. You have developed (and vetted) compelling value propositions for key constituencies		Determine how your program will provide value to key constituencies
6. Your program's success depends on assets or capabilities that can be replicated elsewhere (i.e., not one-of-a-kind)		Redesign program model to work with accessible resources that can be more easily replicated
7. You have demonstrated proof of concept across more than one sample		Replicate the program with another sample to validate design
8. There are strong reasons for rapidly expanding your program geographically		Consider whether there may be benefits (e.g., efficiencies, cost savings) to a regional saturation model before expanding further
9. There are no apparent trends or popular sentiment indicating that your program could scale organically on its own		Consider possible benefits (e.g., cost savings) of an evangelist model if you believe awareness alone will drive adoption
10. You would prefer to maintain the size of your existing organization while significantly increasing your social impact (i.e., not growing budget and headcount is a priority)		Weigh the costs and benefits of a large hub

Checklist	Yes	If not...
11. Proprietary ownership of your program and its components is <u>not</u> critical to your social mission		Consider a traditional replication or franchise model, which would allow you to retain control of proprietary assets
12. Your program will be stronger when tailored to the needs of local markets		Think carefully about how you will ensure consistency across programs if you cannot directly oversee execution
13. You are comfortable allowing discretion in local implementation		Consider a traditional replication or franchise model if standardization across all program components is essential
14. Variation across programs will accelerate learning and speed expansion		Consider a traditional replication or franchise model if standardization across all program components is essential
15. Entrepreneurial leadership at the local level is critical to a program's success and long-term sustainability		Determine where leadership is most critical to ensuring the success of the scaling effort and focus there

## About the Study

The case study of The Encore Fellowships Network is descriptive and relies primarily on interviews with key stakeholders and data provided by Civic Ventures and the EFN organizers. Its purpose is solely to document the EFN's design principles, strategy, and implementation, in addition to lessons described by organizers and early participants. The study is not based on a formal evaluation of the network's performance, largely because the EFN is still in its formative stages. As a result, many of the study's interpretive assessments must be considered preliminary until additional data become available.

### About the Author | Beth Benjamin

Beth Benjamin has more than 20 years of experience conducting research, teaching, and writing in the field of organizational behavior and leadership development. Formerly the head of the Stanford Graduate School of Business' Center for Leadership Development & Research, Benjamin has worked with large organizations, small startups, nonprofits, and professional services firms. Before returning to Stanford, she was an organizational behaviorist at the RAND Corporation, where she conducted research in the areas of human resource strategy, implementing large-scale change, and employment law. During that time she also held a joint appointment at the University of Southern California's Marshall School of Business. Benjamin has authored a number of articles published in both scholarly journals and the applied business press. She earned her Ph.D. in Business Administration (Organizational Behavior) from Stanford University, M.A. in Industrial/Organizational Psychology from the University of Maryland, and B.A. from Cornell University.

### Civic Ventures | [www.encore.org](http://www.encore.org)

Civic Ventures® is a think tank on boomers, work, and social purpose. The organization introduced the concept of encore careers, which combine meaning, continued income, and social impact.

### The Encore Fellowships Network | [www.encore.org/fellowships](http://www.encore.org/fellowships)

Civic Ventures created The Encore Fellowships Network™ to make it as easy as possible for organizations to start, sponsor, and operate their own effective and high-quality Encore Fellowships programs.

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Made possible by The David and Lucile Packard Foundation