

Sponsored Supplement to *SSIR*  
**Emerging Pathways to Transformative Scale**  
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# Emerging Pathways to Transformative Scale

By Jeffrey Bradach and Abe Grindle

Learning about solving social problems, not just making incremental progress, from pioneering nonprofits.

In just 12 years, Gerald Chertavian has nurtured Year Up from start-up to star status among nonprofits that offer job training and educational support to disadvantaged urban young adults. A remarkable 84 percent of Year Up's graduates land full-time jobs or enroll in college within four months of completing their yearlong skills-training and internship program. Such success has propelled the program's steady climb from 22 students in one city in 2001 to more than 2,000 students in 12 cities today.

Year Up's growth can be captured by a simple catchphrase: "scaling what works." It is a phrase that has energized social entrepreneurs and philanthropists alike, and a rallying cry to direct more funding to interventions that actually get results. Leaders such as the Edna McConnell Clark Foundation,<sup>1</sup> Grantmakers for Effective Organizations,<sup>2</sup> Results for America, the Coalition for Evidence-Based Policy, and many others have worked tirelessly to advance this effort. Even the federal government embraced the idea. Soon after taking office in 2009, President Obama launched initiatives to identify and support social programs with proven benefits.

But success has its limits. Chertavian now confronts a dilemma shared by many other successful social entrepreneurs.<sup>3</sup> He has a proven program and steady site-by-site growth. Yet Year Up reaches only a tiny fraction of the 6.7 million low-income young adults in the United States who are

out of work and out of school. "Given the magnitude of the problem, we can't be satisfied with a plan that just doubles the size of Year Up," says Chertavian. "We need a new path to close the gap between what we've achieved to date and what we still need to accomplish."

That new path requires innovative ways of thinking about scale. It is no longer sufficient simply to scale up what works in an incremental manner. Three years ago, a *Stanford Social Innovation Review* article proposed the notion of scaling *impact* rather

on all our progress to date and could grow impact in ways that lead to lasting solutions.

## 1. *Distribute through existing platforms.*

One way to scale up a project is to hitch a ride with an existing network or system that can replicate a program in hundreds, or even thousands, of locations.

Sixty percent of Americans live within three miles of a YMCA (Y). Capitalizing on this fact, the national Y is using its nationwide network of community Ys to spread a diabetes prevention program that origi-

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than organizations, asking, "How can we achieve 100× the results with just 2× the organization?"<sup>4</sup> More recently, Chertavian and other social sector pioneers have started to tackle an even more fundamental question: How can we grow our impact to actually *solve* problems we care about? In short, how can we achieve truly *transformative scale*?

## Strategies for Transformative Scale

In their quest for answers, pioneers such as Year Up and the organizations that follow are experimenting with ways to help far more people while keeping a lid on the growth of their own organizations. Reviewing their efforts to date, we can identify nine approaches that hold real promise for addressing at a transformative scale a number of major social problems. The approaches that follow aren't exhaustive, nor are they necessarily new. But they represent a set of experiments that build

nated with the National Institutes of Health (NIH).<sup>5</sup> By altering participants' eating and exercise habits, the program reduces the incidence of type 2 diabetes by 58 percent in people at risk for the disease.

Critical to the success of this effort was the Y's ability to create a sustainable funding model for the program. The original NIH model involved health professionals working one-on-one with high-risk people, a high-cost approach that prevented widespread adoption. Together with the Indiana University School of Medicine, the Y adapted the program to a group model led by trained community instructors. Using this model, which delivered the same compelling results at one-fourth the cost, the Y was able to persuade health insurers to reimburse program costs. That, in turn, cleared the way for the Y to expand the program to 614 locations, with many more to come.<sup>6</sup>

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The potential to deliver successful programs using the existing infrastructure of a national nonprofit network is huge, but getting there won't be easy. Any initiative that chooses to go this route has to figure out how to ensure that providers in a widely dispersed network can reliably deliver consistent results.<sup>7</sup> This means investing in systems such as network-wide performance measurement. Social entrepreneurs who wish to extend their impact via networks will also have to relinquish some control to achieve the scale they seek.

**2. Recruit (and train!) others to deliver the solution.** Rather than relying on a single player, such as the Y, to help bring a program or initiative to a larger scale, it's possible to teach a collection of unrelated nonprofits or agencies to deliver a successful program to far greater numbers of beneficiaries.

Year Up chose this route when it partnered with Miami Dade Community College in 2012 to establish the Professional Training Corps. Modeled after the Reserve Officers' Training Corps (ROTC), this program sets students on an associate degree track while providing them with the small cohesive community, high-quality professional development, and internship experience that mirror the Year Up program. The pilot, if successful, will provide a template for spreading the program to community colleges across the country and reaching a

projected 100,000 students a year.

Organizations that pursue this pathway typically must build a new set of capabilities. "Doing"—actually delivering a program—and "enabling"—training another organization to do so—are two quite different processes, and it's important to be very clear about what is required to do enabling well.

**3. Unbundle and scale up the parts that have the greatest impact.** Successful social-sector initiatives typically involve lots of moving parts that combine to deliver the desired results. But what if you don't need all the parts to get the same or nearly the same results? If you can identify the essential components that account for most of the impact but require only a fraction of the total cost and effort, it may be possible to break them out and take them to a large scale.

KIPP, the Knowledge Is Power Program, is a national network of public charter schools that has taken this approach to leadership training. Since opening its first two schools in 1995, KIPP's network has grown to serve more than 50,000 students in 141 schools in 20 states and the District of Columbia.

Two years ago, KIPP launched the Leadership Design Fellowship, an eight-month program for public and charter school district administrators that provides intensive training on KIPP's principal-development model. KIPP chose leadership development because of its core belief that outstanding schools are

built, led, and sustained by great leaders. The idea behind the fellowship program is that its graduates—some of whom lead districts with hundreds of thousands of students—will implement KIPP's principal-training model in their own districts, thus extending KIPP's impact without adding to its size.

In contrast to trying to replicate an entire program or initiative, the lower cost and broad reach of leadership training may make this type of unbundling a very good investment for dramatically increasing impact.

**4. Use technology to reach a larger audience.** Technology can provide another lower-cost pathway to growing a program's reach and impact. Khan Academy, for example, delivers instructional videos online to millions of people around the globe. As a result, the organization has remained very small even as its audience has exploded.

Even traditional nonprofits can use technology to accelerate the spread of an existing program or practice.<sup>8</sup> College Summit, whose mission is to help increase college enrollment and success rates among low-income high school graduates, has gone this route. With a \$2.5 million grant from the Bill and Melinda Gates Foundation, College Summit developed 20 Facebook apps that will help guide low-income students through the college admission process and support their success on campus. Apps deliver automated alerts for important deadlines, facilitate formation of student support groups, and guide students through the process of transferring from community college to a four-year university, among other services. Time will tell whether this experiment succeeds. What's clear today is that this kind of technology-enabled project could help nonprofits significantly expand the reach and impact of their work.

**5. Don't just build organizations and programs, strengthen a field.** Nonprofits and funders committed to far-reaching social change understand that their goals cannot be reached without the support of a critical mass of organizations and individuals working together as a field. Key players include policymakers, researchers, community groups, service-delivery enterprises, advocacy groups, talent recruiters, funders and investors, and others.<sup>9</sup> Field-building strategies often follow one of two paths: growing the field by raising awareness of an issue to

## Continue to Expand Proven Programs

**E**ven as we explore these nine strategies for transformative scale, we should remain committed to scaling up proven programs through organizational growth as rapidly as possible. Consider Youth Villages. The program started in Tennessee 20 years ago and has developed a highly effective approach to intensive in-home treatment services for troubled kids who typically would be placed in foster care, detention centers, or other juvenile facilities. The results are impressive. For these hardest-to-serve youth, Youth Villages achieves twice the results of the typical program at only one-third the cost. This stellar performance, coupled with some critical philanthropic investments, has enabled the program to expand to serve some 22,000 children in 12 states in the past twelve months.<sup>20</sup>

A few philanthropic innovators have stepped up to help Youth Villages expand. The Edna McConnell Clark Foundation led a pioneering effort to raise \$40 million from co-investors to make the last phase of Youth Villages' growth possible.<sup>21</sup> Nevertheless, there are at least another 300,000 children who could benefit from Youth Villages' services. Imagine the result if private and public funders were to commit the level of resources necessary to actually serve all of this need. After all, there's still no inherent limit to the size a nonprofit can achieve. The real limitation is money.

generate support and funding, or improving the performance of existing players already committed to the field.

Building on the evidence base created by Big Brothers Big Sisters of America in the 1990s, MENTOR: The National Mentoring Partnership exemplifies both approaches. More than 5,000 organizations provide mentoring to three million disadvantaged young people, but another 15 million youths need these services. Moreover, not all kids currently enrolled in mentoring programs are served effectively. MENTOR works to close this gap by enhancing the quality and quantity of mentoring relationships for America's youth. Its goals are to increase the resources and capacity of the mentoring field to reach more young people and to improve the effectiveness of the field by developing and disseminating standards, research, and tools. This field-building effort complements the work of Big Brothers Big Sisters of America, the largest mentoring organization in the United States, which reaches more than 200,000 young people—but still only a fraction of those in need.

Fields also need data and metrics to track and improve performance and to channel resources to what is working. Expanded use of data—thanks in large part to the advent of low-cost information technology platforms—is one of the most powerful forces shaping fields today. The Strive initiative in Cincinnati, Ohio, has rallied a range of players around shared performance metrics for supporting the success of every child “from cradle to career.”<sup>10</sup> And the Millennium Development Goals harness the power of measurement to drive the field of global development, just as the Common Core standards are driving the use of data to strengthen US public education. Such efforts align the strategies of diverse players toward common goals, enable assessments of what is working on the ground, and support learning and improvement.

Others have pursued leadership development as a way to improve the performance of an existing field. For example, in K–12 education, organizations like New Leaders for New Schools, the Broad Superintendents Academy, The New Teachers Project, Teach for America, and the Center for Inspired Teaching have produced a wave of leadership talent, which has helped to shape the education reform movement. It is striking that few other fields have such a robust leadership

development pipeline, which may bode ill for their ability to achieve true transformative scale and impact even given significant programmatic innovations.

One caution is that field-building investments take a long time to play out, and their effectiveness can be difficult to assess. But in many instances, the absence of appropriate investments in field infrastructure, from training organizations to matchmakers for mergers and collaborations,<sup>11</sup> severely limits the potential for transformative impact.

**6. Change public systems.** Our public systems, such as education, juvenile justice, and child welfare, operate at a vast scale. But too often they are not achieving *impact at scale*. Public system reformers often pursue one of three distinct avenues to achieve transformative impact: change a critical component of the system; inspire change by

a transformative scale by changing the education system from the inside out.

These examples acknowledge and respond to a simple truth: the path to transformative scale in sprawling public systems requires changing the systems themselves. Otherwise, as Casey Foundation CEO Patrick McCarthy notes, “A bad system will trump a good program every time.”

## **7. Embrace the need for policy change.**

Government funding is often considered the Holy Grail for social-sector initiatives. An act of Congress, for example, can theoretically turn a demonstration project into a national standard overnight. Well-known examples include the adoption of hospice care, which spread nationwide after gaining Medicare reimbursement; and state-funded kindergarten, which began as privately funded programs in a number of cities but

## *Fields also need data to track and improve performance and to channel resources to what is working. Expanded use of data is one of the most powerful forces shaping fields today.*

demonstrating a better way and embarking on a change management process; or gradually inject new leadership.

The Annie E. Casey Foundation is choosing the first approach in its efforts to change the juvenile justice system. Over the past 20 years, the grantmaker has invested more than \$100 million to try to change decisions about whether to send a troubled young person to jail, to a detention facility, or to home-based rehabilitation. Rigorous evaluations show that the home-based option championed by the foundation works best for most kids. The program has spread to 200 sites in 39 states and is poised to continue growing. (See “The Road to Scale Runs Through Public Systems” on page 12.)

Teach for America demonstrates an approach to changing a system that relies on an infusion of new leadership and talent. With 170 full-time staff members devoted to alumni services, it is investing heavily in the continued development and placement of its 30,000 alumni, with the goal of injecting highly capable, reform-minded leaders into critical positions within the education system and other public and private entities that affect it. The goal is to achieve impact at

transitioned to public dollars in response to widespread demand.<sup>12</sup>

The Nurse-Family Partnership (NFP) provides a contemporary example. NFP serves low-income, first-time mothers by partnering them with a registered nurse who provides ongoing home visits that continue through the child's second birthday. Today NFP reaches more than 26,000 mothers in 43 states. When well implemented, the program has been shown to provide \$5.70 in benefits to society for every dollar spent.<sup>13</sup>

In 2010, Congress established the Maternal, Infant, and Early Childhood Home Visiting Program and committed \$1.5 billion over five years to expand and improve state-administered home visitation for expectant and new mothers. (Currently, 13 home visiting programs meet federal eligibility criteria.) The legislation was the result of a concerted lobbying campaign led by the Nurse-Family Partnership National Service Office and supported by President Obama, among others.

At the same time that it provides a model for policy change that leads to larger scale, this example also illustrates the challenges facing any social initiative advanced by the federal



government. The 13 programs approved for federal funding are not identical, and many states are ill-equipped to identify which programs will provide the best outcomes given their particular context and needs. As the Pew Center on the States concluded in 2011, many states “are not prepared to capture or maximize the additional investment.”<sup>14</sup>

**8. Don’t ignore for-profit models for scale.** In some cases, a for-profit business model might be the most effective strategy to achieve transformative scale. In the developing world, businesses have helped meet the basic needs of many millions of the poorest people, providing necessities such as clean water, health care, electricity, agricultural supplies, communications, and financial services. In Mexico, Farmacias Similares became a runaway hit by selling prescription medicine for at least 30 percent less than the competition and by making doctors available for \$2 a visit.<sup>15</sup>

Sometimes nonprofits and philanthropists can unleash the scaling power of for-profits by demonstrating the viability of a new market or business. Microfinance is the classic example. The concept started out as a project run by nonprofits and government agencies. Over time, these organizations built a track record of sufficient scale and financial performance. The result: commercial entities—and eventually the enormous for-profit capital markets—saw potential and dramatically scaled up the industry.

Many market-based approaches to social problems require a combination of nonprofit, philanthropic, and government support to prove that an innovation is worthy of for-profit investment.<sup>16</sup> None of these examples is intended to suggest that for-profits are the solution in every circumstance, or to minimize the significant challenges that can emerge as they try to balance profit and social impact. Yet because of access to enormous capital markets and a business model that inherently promotes greater scale, we need to understand how for-profits can be part of the solution to many social problems.

**9. Alter people’s attitudes, beliefs, and behaviors.** For a certain category of issues, impact at a transformative scale requires altering the attitudes, beliefs, and behaviors of many people so that the change becomes the new social norm.<sup>17</sup>

Public health and issue-based advocacy groups, among others, have developed

an extensive suite of social marketing and grassroots-organizing tools that they deploy to obtain these results. Two recent innovations are worth special attention.

First, more and more organizations are building informal, peer-to-peer networks to achieve transformative scale. This work is based on the understanding that many norms and practices are shaped in a community, and therefore certain types of changes must be scaled through the community. In Senegal, the practice of female genital mutilation was largely eliminated in one generation through the work of Tostan, an African-based nonprofit that helped to spark discussions and advocacy among villagers that spread from village to village.<sup>18</sup>

Second, a burgeoning body of work in behavioral economics and psychology helps us understand how people make both large and small choices in everyday life. Sometimes those choices are harmful both to the person and to society. The UK government recently created the Behavioral Insights Team, aka the “Nudge Unit,” which aims to steer people to better choices through small behavioral changes. For example, standard letters warning people to pay their overdue car tax get only about an 11 percent response. A simpler test letter declaring in big letters “Pay your tax or lose your [make of car]” got double the response.<sup>19</sup> Another test letter with a photo of the car in question got triple the response rate. Many of the issues that the social-change sector cares most about affecting, such as health, education, and criminal justice, are rooted in behavioral choices that may be subject to similar nudges.

### Considerations for Making Headway

All of these strategies hold promise for moving from selective and limited impact to transformative scale. Exploring them will require experiments (and some failures). But in the long run, the social returns can be huge. At the same time, it’s important that we are realistic about the magnitude of the work ahead. A few cross-cutting considerations are important no matter which strategy one chooses to pursue.

■ **Be clear about success.** Crystal-clear objectives are an essential component of any strategy. To achieve transformative scale, your core objective must be to solve the problem, rather than simply

ply to expand a successful program.

■ **Focus on a well-defined unit of impact.** Without evidence of impact, there’s no reason to scale up. Always be clear about the impact you are aiming for, and measure continuously to ensure that you are achieving it. Keep an eye on whether a new pathway is actually serving the intended population, a common pitfall of technology solutions and for-profit models.

■ **Rethink capitalization.** All transformative scale strategies require thinking differently about capital, both what we are willing to fund (such as overhead and infrastructure) and the amount of initial capital and ongoing revenue required to scale up. Funders also need to provide risk capital, knowing that in the quest for big solutions some experiments inevitably will fail.

■ **Innovate to drive down costs.** One of the great barriers to scale is the cost of interventions. Although it is generally true that you get what you pay for, the social sector has much to learn from social innovators in developing countries who have no choice but to hold costs at rock-bottom from the very start as they aim to serve great numbers of people.

■ **Focus on driving demand.** Both “supply” and “demand” are required for transformative scale. It isn’t enough to focus only on supply, with a build-it-and-they-will-come mentality. Truly unlocking demand can be a game-changer.

■ **Invest in new capabilities.** Grantmakers should keep in mind that transformative scale often requires substantial investment in capabilities that many nonprofits don’t currently possess. That means funding nonprofits to make training investments, hire new people, or adopt new technology or more sophisticated financial management systems.

■ **Engage the community.** The success of transformative scale strategies often hinges on the involvement of local communities in the formulation and implementation of the solution. Knowledge of local circumstances and engagement of local players can be critical to helping a solution spread and stick.

Taking “what works” to transformative scale will be the defining challenge of the

social sector in the coming decade. The hard work of figuring out how to do that has begun. Now we need to test which strategies are truly practical, perfect them, and ultimately push ourselves to new ways of thinking and acting that will determine our ability to address in full the most important challenges facing this country and the world. ✨

The complete version of this article appears on [www.ssireview.org](http://www.ssireview.org)

## Notes

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- 21 Part of \$279 million raised by EMCF to scale up a few high-impact organizations.

## TWO GRANTMAKERS, TWO APPROACHES TO SCALE

# Pathways to Scale for a Place-Based Funder

By Katie Merrow

During our 50 years of working to improve the quality of life in communities across our state, the New Hampshire Charitable Foundation (NHCF) has learned many lessons about what it takes to increase our impact. We've found that three approaches are essential to achieving large-scale impact: partnering across sectors; long-term investment to strengthen grantees; and supporting promising and proven programs.

**Partnering across sectors.** To solve pressing social problems, it is important to reach across sectors and build partnerships among government, nonprofits, and business. To combat New Hampshire's rising rates of youth substance abuse, for example, NHCF entered into a 10-year partnership with the state of New Hampshire to co-fund substance-abuse prevention coalitions.

We are also leading a state commission charged with developing a plan to reduce substance use in New Hampshire. Our work on the commission brings state agencies and community partners together around shared goals and measurement systems, and we

have leveraged more dollars for evidence-based prevention. We reinforce this work by funding local advocacy efforts promoting policies that prevent youth substance abuse.

NHCF has benefitted from partnerships with the business community as well. When a local technology entrepreneur came to us wondering whether his platform that helps small businesses compete against big chains might benefit the charitable sector, we saw a ready-made opportunity to scale up our efforts to strengthen nonprofits. NHCF partnered with the entrepreneur's company, CCA Global, and the New Hampshire Center for Nonprofits to develop a Web-based platform that provides nonprofits with vetted tools and real-time instruction to improve operations. More than 1,500 nonprofit employees and board members are taking advantage of this platform to make measurable improvements in organizational behavior, board engagement in fundraising, and leadership. This project leveraged CCA Global's innovative product, the Center for Nonprofits' relationships and deep knowledge of the sector, and NHCF's ability to convene and raise significant start-up capital.

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