

APPLYING LEAN START UPS TO NON-PROFITS



Lean methods are pretty simple. You identify problems in the organization, and you develop hypotheses about how to solve those problems. Then you look for the most basic way to test your hypotheses. You repeat this process, learning continually, until you find a solution that works.

The process itself is basic. However, implementing it can be a bit trickier. You need the support of leadership and the involvement of everyone down the chain in order to create a culture of Lean and foster true change.

One of the major benefits of this system is that it encourages you to invest very little in the initial rounds of testing your hypotheses. This means that you get through the mistakes quickly and inexpensively and can focus the majority of your resources on the solutions that are effective. As a result, your opportunity as a non-profit to expand your impact is maximized.

In your preparation to implement a Lean start-up in your non-profit, consider these four important questions.

1. Can your organization afford to fail?

From a Lean perspective, quickly finding out that your angle for solving a problem isn't working is great news.

It's good news because it eliminates one possible hypothesis and puts you closer to finding the right solution without wasting a lot of time on a solution that isn't working. Think of it as failing forward. Failing forward is a success both in theory and in your own personal practice. However, you must honestly ask yourself whether you, your team, and your financial backers can handle this approach.

If you are receiving funding from the government, you may not have the kind of flexibility that you need to take this approach. A governing board or committee may not embrace this approach, either. You will need to convince your team to buy in to the process.

2. Do you have the appropriate systems in place?

In order to test your hypotheses quickly, your organization must have the appropriate management information systems in place. You need an efficient way to collect data from end clients and for staff to access data. This data is crucial for evaluating whether your assumptions are accurate. If all of your data must be manually entered by staff, it will be quite difficult to effectively embrace the system.

3. Will your organizational culture support a Lean approach?

You can have all the strategy and systems in the world in place, but if the culture of the organization doesn't support it, it will fail. You need a staff that is persistent, willing to fail forward, and determined to solve problems. If you are unsure of whether the culture will support Lean methods, focus first on developing that culture before implementing Lean methods.

4. Are you ready to make a change?

A Lean start-up requires that you take risks and drive change. Are you prepared for that? In order to lead this movement, you have to be willing and able to invest your energy toward that goal. Are you prepared to risk losing funders or team members? Sometimes failing forward involves some casualties along the way.

Fortunately, the end result is worth the challenges that you will face along the way. These four questions are important things to ask of yourself when you are considering implementing a Lean start-up in your non-profit organization.



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