

Stanford SOCIAL INNOVATION Review

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Scaling

Four Mindsets That Accelerate Nonprofit Growth

A reflection on how a set of strategies related to target-setting, financial modeling, program measurement, and organizational culture helped one organization reach a major milestone.

By **Matthew Forti** | Mar. 12, 2020



A field officer in Kamuli District, Uganda, trains farmers on planting practices. One Acre Fund's scale has relied on standardizing the field officer role. (Image courtesy of One Acre Fund)

In October 2019, USAID and a dozen partners announced a new initiative, dubbed the **Million Lives Club**, to raise awareness about innovative, global development organizations that have scaled to reach at least 1 million people living on less than \$5 per day. To date, only 39 organizations have self-reported having met this milestone or project to meet it soon. While this figure undoubtedly understates the true number, even a number several orders of magnitude greater would suggest that only a tiny proportion of the estimated

40,000 international nonprofit organizations have reached 1 million clients. With nearly half of humanity living on under \$5.50 per day, we need far more solutions that can scale to this level, and beyond.

Of course, many community-based nonprofits do outstanding work at a local level, where scale is more appropriately defined as reaching a high proportion of people in a tight geographic area. But for the subset of nonprofits that pursue scale through replication across communities, reaching an ever-larger number of clients is often necessary to influence underlying systems, policies, and fields for truly large-scale change. Indeed, **studies of successful systems-change initiatives** find that scaling direct service is important to building the credibility, relationships, and client base that make nonprofits more attractive as partners to government and the private sector.

Our organization, **One Acre Fund**, was founded in 2006 to provide agricultural technologies, finance, training, and post-harvest support to smallholder farm families in Africa, with the aim of helping them become more prosperous. We started with 38 families, and after 14 years of good rains and droughts, new farm technologies and ancient crop diseases, we recently achieved the milestone of 1 million families served annually in our program. Reaching this scale has not only directly impacted many more families' lives, but also created a strong platform from which to improve underlying agricultural systems.

Here, we reflect on four mindsets we used to set targets, develop financial models, measure our impact, and build an organizational culture that helped us achieve this exponential growth.

1. Adopting the Numerator and Denominator Mindset

Nonprofits considering how to set targets for scaling should not only set a memorable stretch goal (the “numerator” in a market-share calculation), but also think about the total size of the problem they aspire to solve (the “denominator” in a market-share calculation). By keeping both metrics in mind, nonprofits can inspire their teams to scale direct service and lay the groundwork for systems change.

In 2010, after reaching just over 30,000 farmers, One Acre Fund set a 2020 target to serve 1 million, a number that was both memorable and audacious. To make it tangible, we then reverse-engineered this goal into “drivers”—the number of new countries we'd need to enter, the proportion of each country's territory we'd need to serve, and the amount of market penetration we'd need to achieve in those territories. “One million farmers by 2020” served as a rallying cry for our team, forcing us to think beyond the incremental progress that comes with traditional annual planning. Our laser-like focus on this goal also caused us to pressure-test every aspect of our model for scalability, which led to things like codifying standard operating procedures and modeling the criteria that predict success in new territory launches.

In more recent years; however, we realized that this “numerator thinking,” which focused on our reach, wasn't enough. Making a meaningful dent in the problem meant confronting **the denominator**: the market of roughly 50 million chronically hungry African farm families who could benefit from our model. In recent years, this “denominator mindset” compelled us to explore new channels for scale that would, over time, lead to systems change. Our resulting public and private sector partnerships unit is already reaching 1.5 times more farmers than our core program serves directly.

2. Seeing Financial Sustainability as a Means, Not an End

Achieving financial sustainability—that is, covering a high proportion of costs with earned revenues—brings program efficiency into focus and frees up grant revenue for other purposes. But taken to the extreme, it can shift operations in a way that doesn't fully deliver on an organization's mission. Considering impact and cost goals together, however, creates the right conditions for optimal scale.

Like many young social enterprises, One Acre Fund initially aspired to achieve financial sustainability, and reserve donor funding for innovation and growth. While this aspiration engendered a healthy, relentless focus on efficiency, we soon realized that achieving full financial sustainability would require that we limit or even eliminate our programs in highest-need markets, where infrastructure was poor, average land sizes small, and access to education on advanced farming practices low. Yet these were often the markets where our support had the most impact.

On our path to 1 million farmers, we became more sophisticated in our thinking, allowing for separate sustainability goals by market type and tenure in our program. Most importantly, we began to see financial sustainability as a means to the end of cost-effective impact, or generating maximum **social return on investment** (SROI). We now use a different investment framework—centered around SROI, and adjusted for need-level and tenure—to allocate resources across programs and geographies. This framework has helped us understand when we should pause growth in a country to improve impact and cost, and when we should greenlight expansion.

3. Building In-House Capacity to Measure All the Way to Impact

Most nonprofits monitor their programs internally. They collect outputs and outcomes, but then rely exclusively on periodic external evaluation to measure their impact. Building in-house capacity to measure all the way to impact requires upfront investment, but it can accelerate program improvements and thus greatly improve an organization's capacity to scale.

One Acre Fund values the rigor of independent external evaluations and **uses them**, but we view them more as a tool to strengthen our internal methods than a tool to prove our impact. Building internal measurement capacity played an important role in reaching our milestone. Unlike external evaluations, we can deploy rigorous internal measurement over every crop, in every country, and during every season, and it helps us learn and improve rapidly.

In 2013, our first season operating in Burundi, our **measurement and evaluation department** found that One Acre Fund farmers earned roughly the same profits from farming as their neighbors, due to low compliance with the more profitable planting methods we teach. Armed with this data, we co-designed

with our clients a “model garden” initiative, where every farmer in our program planted a 100-square-meter section of their farm using the ideal planting methods. Over time, farmers’ yields in their model gardens strongly outpaced the rest of their fields, convincing them to adopt our techniques on most of their land. Today, our Burundi program reaches more than 100,000 farmers, a scale made possible by a 90 percent average re-enrollment rate driven by the stronger impact of our program.

4. Making Getting Into the Field an Organizational Norm

Having staff at all levels spend at least half a day each month in the field ensures that everyone is constantly learning at the ground-level. Simply relying on the reflections of others or the conclusions of research studies means losing touch with the fast-changing environments and circumstances that require program models to adapt.

No decision has been more consequential to One Acre Fund’s scale than situating our headquarters in the rural locations where our farmers live, enabling our entire team—including frontline field officers and country directors—to interact with farmers on a daily basis, inside and outside the work week. As we grew, we officially instituted the cultural norm of “going to gemba.” *Gemba* is a Japanese term meaning “the real place,” or in business, “the place where the work is done.” Today, all staff—even those in supporting roles that don’t directly require intimate knowledge of our field operations—commit to spending time both in farmers’ fields and in the “fields” of the functions they support (such as a senior logistics leader spending time observing workflows in a One Acre Fund warehouse).

While One Acre Fund frequently uses tools like **human-centered design** and **Net Promoter Score**, we’ve found there is simply no substitute for learning through observation. For instance, in our Rwanda program a few years ago, frontline field officers were struggling to enroll and train a sufficiently large number of farmers. Searching for solutions, a senior manager decided to “go to gemba” and shadow a particularly effective field officer. She learned that the field officer was particularly well regarded in her community and uniquely worked through a group of volunteers to disseminate farmer trainings in her site. The manager headed back to the office, proposing, testing, and ultimately scaling a redesign of our Rwandan field operations. We began to seek more community input in our field-officer recruitment process and formalized volunteer group leaders as program partners. These improvements have contributed to a tripling of our Rwanda program size since 2014.

Aiming Higher

One Acre Fund has set a bold new goal to help 10 million farmers become more prosperous in 2030. Once again, we don’t have a perfect roadmap to get there, though we know that multiplying our reach

tenfold at this scale will require a stronger commitment to partnerships, policy, technology and other new channels to reach a much higher proportion of farmers indirectly.

Nonprofits everywhere, but especially those operating in the global south, face the imperative to create scalable models within and often across many communities. Rapid scale requires thoughtful planning and execution, and the right resources, across all internal functions. But it also requires the development of underlying norms that nonprofit leaders can use to help run their organizations and inspire their teams. These four mindsets form a powerful base to unlock rapid scale while staying true to mission.

Read more stories by [Matthew Forti](#).



for continuous learning and improvement.

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