The Founder Effect – The Power and the Peril

Julia Lever

Early days/years for a new nonprofit organisation can be as life-affecting as they are for children. Principal among these early influences is that of the individual(s) labelled as the Founder*.

That someone is motivated to start an enterprise to benefit others, to enrich a community, rather than for material gain is laudable and often inspiring. Such endeavours are frequently undertaken by ordinary people, capable of extra-ordinary things and we are the richer for it. The creation of social wealth as opposed to solely financial wealth is surely a sign of a truly civil society.

So, is a negative Founder Effect inevitable? No, far from it, but it is an easy trap to fall into and extraordinarily difficult to get out of.

There is evidence of practical and proven interventions which can facilitate both prevention and cure. All require a large measure of foresight, bravery and preparedness to change.

The goal must surely be to allow the Founder’s influence to remain a useful asset for the organisation, valued and cherished by all. Sadly, what sometimes happens is that this influence sours into an uncomfortable legacy which inhibits and paralyses key individuals and processes within an organisation.

It is really hard to sustain the passion, the persistence, the sheer determination to conceive, establish and nurture a nonprofit enterprise without feeling proprietorial about it. But a tipping point will come when this commitment (even obsession) can become suffocating and impeding. It is hard not to see a parallel with parenthood and the discomfort of an emptying nest, enabling one’s children to fly and thrive independently, whilst continuing to share the journey in a new way.

And sometimes, when the motivation for starting a nonprofit activity is personal grief, or faith-based zeal or comes from an intensely personal experience/need, it is even harder to be farsighted and rational and peers find it even harder to be challenging. Sometimes a founder is just so nice, so inspiring, other stakeholders are simply reluctant to do or say anything which they think may upset them. Founders are invaluable but not infallible.

There are always hard situations to face and difficult decisions to make. Organisations which have been able to establish a good bone structure from the outset, with a rich pool of committed and engaged stakeholders are likely to be better able to ride out these difficulties and to take advantage of, and indeed create, opportunities.

The over-riding conclusion for me is that being an effective Founder starts with the realisation that it is not about being a one person show. It is all about getting really good people on the bus with a shared purpose of working with others to build a sound bone structure and culture for sustainability.
Is your organisation battling to deal with the Founder Effect? We may be able to help so contact CassCCE@city.ac.uk

For a free source of initial guidance on starting a nonprofit organisation, click on http://www.knowhownonprofit.org/basics/settingup. This module is under continuous development and would benefit hugely from your experiences around this issue so please participate.

Julia Lever is one of two Vice Presidents at CHASE hospice care for children, an organisation which started around her kitchen table, with a group of passionate and pragmatic individuals, who shared a determination to establish a sustainable network of care for life-limited children and their families. CHASE now raises £4m annually to fund its work. “The only thing worse than not having done this at all would be not to have done so sustainably.”

* The term Founder and the singular are used for simplicity and should be read as a faux collective if more than one individual were the initiators.