

Case Study
The Encore Fellowships Network
By Beth Benjamin

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In just two years, the Encore Fellowships Network—which enables professionals to transition from private sector careers into high-impact roles in the nonprofit sector—used a network-scaling model to grow from a single pilot program in Silicon Valley to a network of 200 organizations operating in 20 metropolitan areas nationwide. **BY BETH BENJAMIN**

IN 2006, THE FIRST OF NEARLY 76 million American baby boomers turned 60. Beginning on January 1, 2011—and every day for the next 19 years—10,000 more will reach 65. This demographic tsunami, as it is sometimes called, will crest right around 2030, when it is expected that at least 25 percent of Americans will be nearing the age traditionally associated with retirement. The demographic phenomenon is global. By 2050, 40 percent of the population in Japan, South Korea, Italy, Spain, and Germany—and 33 percent of the people in China—also will be over 60.

According to a 2009 United Nations report, population aging is “unprecedented”—current trends are “without parallel in the history of humanity.” Not only are the trends pervasive, their consequences are likely to be profound and enduring. With advances in medical research and health care, most people in the United States who reach the age of 50 can expect to live at least another 30 years. Although this is good for many of us as individuals, for society as a whole the consequences may be dire.

Shifts in age structure can have a profound impact on a broad range of economic, political, and social issues. As people live longer, benefits such as pensions, health care, and old age support have to be paid over longer periods. Many economists worry that this will place a greater burden on a smaller population of working-age adults who will be responsible for paying into social security systems. Increasing longevity is also likely to bring greater demands for health services and other social support systems because older people are typically more vulnerable to chronic disease. As a result, many researchers and social commentators argue that a growing population of older adults may stretch the limits of an already overburdened social sector.

Fortunately, such negative outcomes are not inevitable. Unlike previous generations, many baby boomers expect to be active professionally and otherwise well into their golden years. Americans

reaching retirement age today are considered the largest, healthiest, and best-educated generation in US history. Not only are they living and working longer, studies indicate that many people approaching the end of their primary careers have a desire to move into more meaningful work—work that

will allow them to create a better world. A 2011 survey by Civic Ventures and MetLife Foundation found that 31 million Americans between the ages of 44 and 70 are interested in transitioning into some type of social purpose work after leaving their primary careers—work that combines personal meaning, social impact, and for many, continued income.

Focusing squarely on these trends, Civic Ventures, a think tank on baby boomers, work, and social purpose, has long recognized that an aging population presents not only risks, but enormous potential for social renewal. If systems can be created to help aging boomers transition into social purpose work, the boomer generation could actually be a boon for the social sector rather than a drain on its resources. In an effort to test one such program, Civic Ventures—also known as Encore.org—decided to partner with the David & Lucile Packard Foundation and Hewlett-Packard Co. to pilot an innovative fellowships program designed to promote and facilitate “encore careers.” Through a carefully designed process, the Encore Fellowships program matched experienced professionals at the end of their midlife careers with social purpose organizations in need of their particular skills and talent.

Launched in January 2009, the Encore Fellowships program turned out to be an unprecedented success, gaining attention from *The New York Times*, *The Wall Street Journal*, National Public Radio, *BusinessWeek*, and others. Almost immediately, inquiries started rolling in from across the country from boomers looking for fellowship opportunities. For Civic Ventures and the Packard Foundation, the discussion quickly turned to expansion. The big question was no longer whether the program would work, but whether it could be scaled quickly and effectively given limited resources.

Over the next two years, operating with only a skeleton staff and very modest budget, Civic Ventures organized and launched a fast-growing network of individual Encore Fellowships programs bound together by a shared sense of purpose, core program model, and common brand identity. In 24 months, the Encore Fellowships Network (EFN) grew from a single pilot program made up of 10 fellows working with nine nonprofits in the Silicon Valley to a network

BETH BENJAMIN has more than 20 years of experience conducting research, teaching, and writing in the field of organizational behavior and leadership development. She is the former head of the Stanford Graduate School of Business's Center for Leadership Development and Research and currently is an independent consultant.

of more than 200 fellows actively working with 200 nonprofits across 20 metropolitan areas in the United States, with additional programs in development in Canada and the United Kingdom. More than 400 social purpose organizations applied to host Encore Fellows, and approximately 2,000 experienced professionals applied for fellowships or put their name in the queue.

Remarkably, even though the number of programs in the network scaled by a factor of 15, Civic Ventures kept the costs of the network's hub operations flat. The hub continued to operate with no more than two full-time-equivalent employees, no central office space, a couple of student interns, and readily available off-the-shelf technology. By 2012, the EFN was on par with the largest US programs bringing experienced private-sector professionals into the nonprofit talent market. This is the story of why Civic Ventures decided to use a network-scaling model to expand its successful Encore Fellowships program and how it made the model work.

A SUCCESSFUL PILOT

The 2009 independent evaluation of the Silicon Valley Encore Fellowships pilot confirmed what the participants already knew: The program had been a remarkable success. Through careful selection and matching, systematic onboarding, and a structured cohort experience, the Encore Fellowships program created a well-defined pathway for experienced professionals to transition from private sector careers into high-impact roles in the nonprofit sector. Ironically, even though people exiting midlife careers often express a desire to apply

their experience to various social causes, they often lack the contacts and sector-specific knowledge needed to do so. The Encore Fellowships program helped to overcome this hurdle by carefully screening candidates, identifying relevant skills and experience, matching specific talent to the nonprofits needing it most, and then supporting the transition process to maximize impact.

Seven essential elements defined the core program design. (See "Encore Fellowships Core Program Design" on page 68.) Each element helped to ensure that the fellowship experience delivered significant value to both the fellows and their nonprofit work hosts. For example, carefully structuring the engagements and their duration helped to ensure that fellows worked on high-quality assignments that fully leveraged their expertise. It also ensured that social purpose organizations had a well-defined need and were open to new talent strategies. Similarly, providing a stipend—initially \$25,000 for a six- to 12-month assignment—reinforced the value of the work performed and facilitated commitment among all parties.

In addition to the high-touch selection and matching process, fellows' learning and socialization were also critical to the program's success. Civic Ventures provided guidance and support during this onboarding period, enabling the fellows to meet regularly, share experiences, and compare lessons learned. In addition, it provided professional development activities that deepened their knowledge and

*Silicon Valley Encore
Fellows Mee Leng Wang
and Mark Judge
compare notes at a
monthly EFN meeting.*



PHOTOGRAPH COURTESY OF THE ENCORE FELLOWSHIPS NETWORK

understanding of the nonprofit sector, thereby improving their chances of remaining in the sector once the fellowship ended.

Without question, what made the program particularly successful was the value it provided to each of its stakeholders. These included the Packard Foundation and Civic Ventures, which shared a common social mission. Both organizations believed that strong leadership was critical to strengthening the nonprofit sector and that creating clear pathways into the sector was essential to attracting high-quality talent. The pilot's performance appeared particularly promising from a social change perspective because it influenced the attitudes and behavior of all those involved. Ninety percent of the fellows and 90 percent of the nonprofit work hosts reported being "satisfied" or "very satisfied" with the overall experience. Having directly observed the contributions made by their fellows—from designing new management processes to managing projects and mentoring staff—the nonprofit leaders were more likely to see the value of private sector experience to solving social sector challenges. Not only that, the leaders reported that their participation in the program made it more likely that they would hire a former corporate executive, even if that person lacked nonprofit work experience. "The fellows' impact has been deeply transformational for our organization and staff," says Becky Crowe, former executive director of Partners in School Innovation, which was involved in the pilot.

The pilot program also influenced the fellows' attitudes about pursuing encore careers. Working directly with senior nonprofit leaders, fellows developed a better understanding of the nonprofit work culture and a newfound appreciation for their leaders and staff. They began to see nonprofits as high-performance, results-driven organizations trying to effect change in resource-strapped environments. They also discovered that many of their corporate skills and abilities could be directly applied to solving problems that nonprofits frequently struggled with.

Ultimately, changes in attitude translated into new behavior. All but two of the nonprofits in the pilot offered fellows continuing paid work. Likewise, all 10 fellows decided to pursue careers in the social sector. Based on extensive survey data and interviews with participants, the evaluation concluded that the pilot had achieved its three primary objectives. It had demonstrated that experienced midlife professionals exiting private sector careers could effectively apply their skills to challenges facing nonprofit organizations; they could successfully transition from a for-profit to a not-for-profit culture when the process was managed carefully; and they could provide long-term value to social purpose organizations when they were matched to the right organizations in significant, capacity-building assignments that used their specific skills and expertise. In short, the Encore Fellowships program proved that structured transitional pathways could help to create meaningful second acts for many

private-sector professionals, while expanding the talent pipeline for many nonprofits.

CHOOSING A SCALING MODEL

Once the results of the pilot program began to receive media attention, expansion seemed like the next step. Many of the fellows in the first cohort argued convincingly that the fellowships program would have to scale up quickly if it hoped to serve the encore demographic—a period of about 20 years during which the majority of baby boomers would reach the end of their midlife careers. But Civic Ventures approached the scaling issue cautiously. CEO Marc Freedman and executive vice president Jim Emerman were familiar with the challenges of expanding social programs. They recognized that despite the value of replication, many highly effective programs failed to live up to expectations when replicated in new contexts.

Chief among their concerns was the extent to which the program would reinforce or detract from Civic Ventures' stated mission and the resources that would be required for expansion. Civic Ventures saw itself as a catalyst and thought leader. Although it had launched numerous programs dedicated to promoting encore careers, it was designed primarily to be an incubator of innovative programs and a catalyst for change, not a manager of large-scale operations. Many of the staff worried that launching a large and complicated scaling effort might be beyond the scope of their mission and divert time and attention away from other projects. Moreover, because the pilot had relied on seed funding from two sponsors, it lacked a viable financial model for future growth.

In addition, Freedman and Emerman recognized that if the fellowships program were to expand, it would be important to involve private sector corporations as a source of talent and financial support. But Civic Ventures had little experience partnering with the private sector. Fortunately, they could look to alumni of the pilot program to help them—specifically, Leslye Louie and Lyle Hurst,

Encore Fellowships Core Program Design

High-Impact Engagements	Encore Fellows bring significant transferable skills to high-quality, high-impact assignments designed to fulfill critical needs and build organizational capacity for nonprofits.
Meaningful Durations	Encore Fellowships last six months (full time) to 12 months (part time), with the goal of providing enough time for fellows to integrate into their nonprofit work hosts and achieve meaningful impact.
Compensation	Encore Fellows receive a stipend of \$20,000 to \$35,000 paid by corporate and philanthropic sponsors and participating work hosts.
Selection and Matching of Fellows and Social Purpose Organizations	Fellows and nonprofits are matched according to specific criteria designed to maximize the benefits of the experience for both parties.
Onboarding	Fellows receive guidance and support during an initial period of integration into their NPO work hosts. The goal is to define a substantive assignment and then integrate fellows, so that they quickly become productive members of the organizations they will be working with.
Learning Community	All fellows in a given year convene regularly for a mix of peer-to-peer learning, professional development, and mentoring from alumni fellows.
Program Operator	An 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.

Source: EFN Internal Documents



Fellow Pat Guerra explains re-engineering the distribution process at Second Harvest Food Bank in San Jose.

each of whom had more than 20 years of corporate experience in strategy, operations, marketing, and sales at Hewlett-Packard. Freedman and Emerman asked the two former Encore Fellows if they would evaluate

potential expansion strategies and recommend a scaling model.

After 10 weeks of careful evaluation, Louie and Hurst presented a scaling plan that stayed within the constraints laid out by Civic Ventures' leadership, board, and funders. The constraints were fairly straightforward. First, Civic Ventures did not want a substantial increase in staff. Second, it did not have the capacity to be a sole operator nor did it plan to run any service programs outside the San Francisco Bay Area. And third, although Civic Ventures wanted the Encore concept to be widely publicized and adopted, it also wanted to do what it could to protect the meaning and integrity of the concept. It wanted the brand to remain squarely focused on encore careers as a source of individual and social renewal.

Louie and Hurst identified several objectives that the scaling effort would have to accomplish to advance Civic Ventures' mission. Rapid growth was first. They would need to develop a steep growth trajectory to establish programs nationwide within the 20-year window of retiring baby boomers. Second, the scaling strategy would have to preserve the high-quality, high-impact experience that had been critical to the original program's success. Continued quality would be essential to building the program's reputation—which, in turn, would help to accelerate the expansion effort. Last, the scaling strategy would have to include a financial model that ensured long-term stability.

Louie and Hurst determined that a network-scaling model "was really the only model that met all the criteria." They considered traditional replication models, but dismissed them because virtually all required significant financial resources and a lot of centralized management. Franchise models were initially attractive because they didn't require sole ownership. But Louie and Hurst concluded that a franchise approach didn't allow the flexibility that would be needed to adapt programs to local markets—something that everyone agreed was essential to ensuring that programs could adequately serve the needs of their local communities. The most attractive feature of the network-scaling model was that it leveraged local initiative while allowing some measure

of programmatic control and consistency. Louie and Hurst concluded that if designed properly, a network-scaling model would encourage and support entrepreneurial initiative within local communities, while providing Civic Ventures with mechanisms to protect the integrity of the core program design and the Encore brand.

DESIGNING THE NETWORK

At Civic Ventures' request, Louie and Hurst agreed to become the organizers of the EFN. They created a plan by which Civic Ventures would partner with local organi-

zations around the country to launch fellowship programs that advanced the goals of the Encore movement. Collectively, the local organizations and their affiliates would form a mutually supportive network with Civic Ventures operating as the hub. (See "Encore Fellowships Network Map" on page 71.)

By partnering with local organizations—or "program operators"—Civic Ventures believed that it could leverage existing assets and reduce redundancy across programs, thereby increasing efficiency for everyone. In addition, the organizers believed that creating a network to scale up the program would enable faster growth, greater reach, and a more distributed funding base than more traditional models. Each program operator would be responsible for generating its own funding with support from the hub, which would work to develop national sponsors and build the network's brand. Ideally, this strategy would help to diversify funding, strengthening the network's sustainability. The local program operators would benefit from the collaboration because the new fellowship programs would complement and enhance their existing activities, raise their visibility within the community, and strengthen their engagement with constituents, local businesses, and foundations.

Because networks are inherently emergent structures, with a natural tendency toward variation, the organizers reasoned that it would be a good idea to design structures and processes directly into the network from the beginning. These would set clear boundaries and help to safeguard program quality early on. The organizers strongly believed that deliberate upfront planning would be critical to creating an integrated system that would align properly as the network grew, thereby reinforcing the norms needed to protect the network's integrity. Those early days of the network's evolution would be the organizers' one chance to establish the core habits that would guide the network for years to come.

To create a holistic system in line with their objectives—rapid growth, quality, impact, and financial sustainability—the organizers developed a network design blueprint based on the framework described in Peter Plastrik and Madeleine Taylor's *Net Gains: A Handbook for Network Builders Seeking Social Change*. The blueprint comprised seven essential design elements and laid out a detailed plan for organizing and managing the EFN as a system. Foremost, the blueprint clarified the type of network and its pur-

pose: The EFN would be a production network designed to “directly enable the rapid proliferation of Encore Fellowships by making it very easy to create and operate high-function [fellowship] programs.” Its primary function would be to coordinate people and organizations across multiple sectors to launch and manage new programs. The blueprint defined how the network would be structured, the benefits that would be provided to participants, and how participants would be selected. It also specified the roles that members would play and how programs would be evaluated. Last, it described the governance framework that would guide initial decision rights and how that framework was expected to evolve over time. Although the network would begin with a simple

Leslye Louie, national director of the EFN, discusses network expansion plans with Caroline Barlerin of HP.



hub-and-spoke structure, with the organizers making most policy decisions, it ultimately would transition to a multi-tier model, with network members taking on greater responsibility for the network’s planning and oversight.

CODIFYING THE PROGRAM DESIGN

Louie and Hurst decided that codifying the design of the fellowship program and developing centralized support systems would go a long way toward meeting the EFN’s chief execution challenge—maintaining consistent quality while capturing the network’s potential for innovation and learning. With this in mind, they created codified program material in the form of guides, training, and other documentation. These materials provide step-by-step instructions from program design all the way through evaluation.

The organizers also created tools to help program operators implement each major activity. For example, an online matching system was developed to pair qualified candidates with relevant assignments. The system not only streamlined the recruiting and matching processes for local operators, it also increased the consistency of matching decisions and enabled the network hub to monitor decisions across programs. Other codified program material included standardized application forms, communication templates, marketing collateral, worksheets, checklists, and rating criteria.

The organizers relied extensively on automated online tools,

centralized information systems, and communication portals to facilitate their network-scaling model. These systems not only help to improve quality, they facilitate communication, learning, and community building among network participants—while lowering operating costs and saving time. Communication portals and wikis, for example, provide online spaces where the organizers can post process documents, templates, updates on program enhancements, and other resources that members can use when launching 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 advantages over other systems: They are user-friendly; information is immediately updated, allowing performance to be monitored in 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 to potential funders and others.

Information systems are also an indispensable part of keeping the network’s infrastructure costs low. This may be surprising to many nonprofits; 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. The EFN organizers have managed to dispel this myth. They were able to meet all of their IT needs by customizing standard free or low-cost platforms in-house. For example, the EFN’s central technology platform is a Salesforce.com database made possible through a Salesforce.com Foundation license grant. The database provides numerous customization options that don’t require professional technical support.

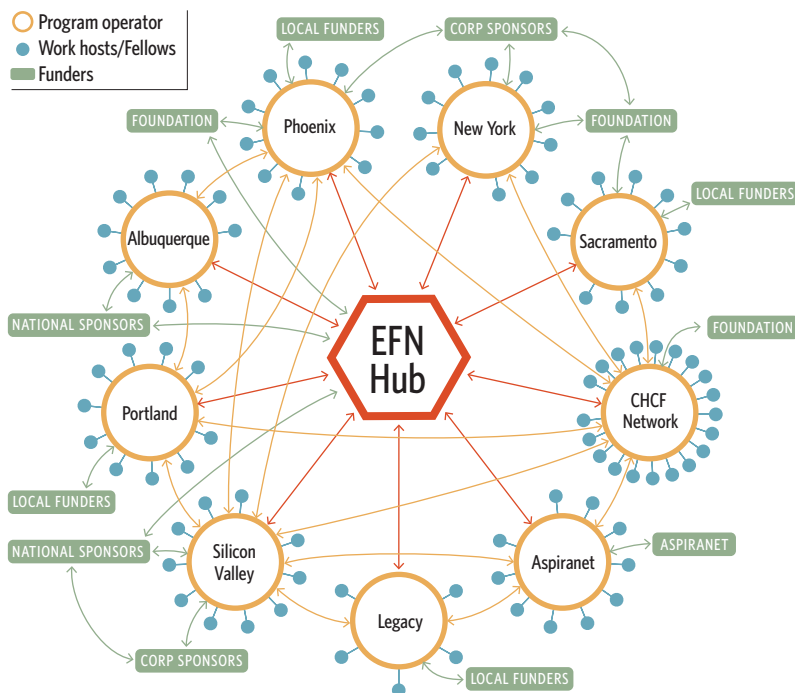
FACILITATING GROWTH AND INNOVATION

As the EFN moved into its second year, the organizers began to spend more time identifying innovations to the basic program model and supporting the development of ever-larger programs and subnetworks. The up-front investment in planning the network’s long-term scaling strategy, codifying processes, and developing automated online systems allowed them to devote more attention to creating new models that could drive greater volume.

Intel’s Encore Career Fellowships program represents one such innovation. Modifying the original program model, the organizers developed a program that allowed Intel to become the first for-profit corporation to make Encore Fellowships available to all of its eligible pre-retiree US employees. In an effort to develop another subnetwork with growth potential, the organizers also worked closely with the California HealthCare Foundation (CHCF) to develop a program model focused on a single issue, health care, which matches fellows to community health care organizations across California. With CHCF serving as the operator, this program pairs experienced professionals with local clinic leaders to transform the delivery of health care to the underserved in their communities. Currently the largest program in the network, Encore Fellows in California Community Clinics is also a model for community health care organizations around the country.

The EFN has been supporting this growth without a commensu-

Encore Fellowships Network Map



rate increase in staff or resources. “In the beginning, we [the hub] run alongside their bicycle, working with them to design a new program model,” says Louie. “But over time we step back from the design phase. Once a new model is worked out, we put new programs in touch with existing programs so they can adopt what the earlier programs have done.”

CHALLENGES AND TENSIONS

Despite the EFN’s success, network building is rarely easy. Academic researchers such as Keith Provan and Patrick Kenis argue that many of the challenges that networks grapple with stem from deep tensions inherent in network life. The tensions arise in virtually all networks and most likely occur throughout a network’s life cycle, reflecting the highly decentralized, often fluid structure that makes networks so appealing.

The EFN is clearly no exception. At least four challenges emerged during the EFN’s early growth period: building the network while operating the network; balancing the need for both flexibility and coordination; maintaining the integrity of the brand while offering diverse value propositions; and leading, then ceding control of network decision rights. Each of these had become apparent by the end of the network’s second year.

The last challenge, in particular, is one of the more difficult aspects of managing the EFN. 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 indications, however, that this may be changing. Programs located in and around the San Francisco Bay Area have begun to share candidates and coordinate cohort events. In addition, fellows throughout the network have begun to reach out to other fellows to share ideas. But from the hub’s perspective,

creating a sense of shared ownership remains an ongoing challenge.

Other challenges loom in the near future—such as creating a network culture. Although EFN carefully planned the network’s structure and created a number of codified processes, they gave little thought to designing a network culture. In fact, few network experts have much to say on the topic of culture or how network builders might shape and use culture to their advantage. Without a strong common culture, members tend to operate according to the norms and values of their home institutions and industries. For example, people who have worked for financial institutions are often accustomed to hierarchy, standard procedures, formal communication, and the need to control risk. People from the high-tech industry, however, are more likely to downplay formal hierarchy, test the limits of established processes, share ideas freely, and place greater value on risk taking and innovation. These kinds of differences—together with the lack of a unifying culture—have created uncertainty about the EFN’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?

Another looming challenge is how to monitor the network’s overall health and vitality. Although the organizers have designed a strong evaluation system to measure participant satisfaction and other quality measures across programs, they have yet to determine how best to assess the network’s performance as a network. What should they look at 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.

Even so, the first two years of the Encore Fellowships Network provide valuable lessons. Perhaps the most important is also the most surprising. Contrary to popular belief, deliberate strategic planning and formal processes do not necessarily contradict the dynamic, bottom-up creativity that makes networks so appealing for scaling social change. As the EFN has demonstrated, once systems and processes are in place to establish direction, ensure consistency, and ease implementation, network organizers can devote more of their attention to nurturing and facilitating entrepreneurial innovations aimed at accelerating growth. As Louie and Hurst note, “It seems fitting that the very same management practices that Encore Fellows have used to build capacity for individual nonprofits appear to work just as well when applied to building and managing a collaborative network. We’re hoping that we’re on the verge of a major breakthrough in time-to-market, cost, and quality for scaling in the nonprofit sector.” ■