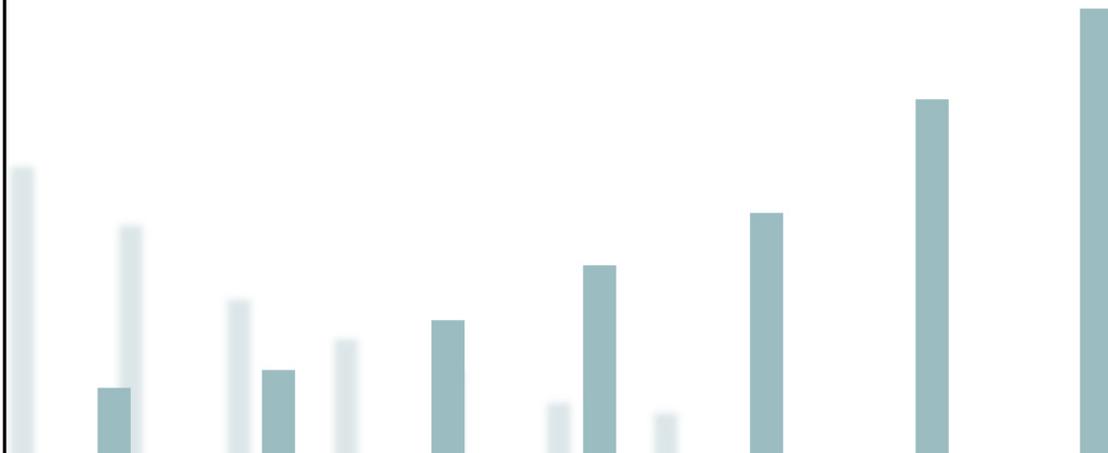The Bridgespan Group

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Aspire Public Schools

Building the Organizational Capacity for Healthy Growth

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It's the age-old dilemma for nonprofit leaders: whether to take resources that could be spent on programs and invest them instead in the organization itself, hiring much-needed staff, or upgrading outdated computer systems. Given the urgency of the needs nonprofits exist to serve, outward-facing initiatives win out nearly every time. It's hard to rationalize purchasing new software or making another long-term investment when the money, applied directly to a program, might make an immediate difference in the life of a service recipient.

But there's a reason that this selfless behavior, however right it feels in the short term, is dangerous over time. It's roughly the same reason that flight attendants tell airline passengers that if the cabin loses pressure, they're to put their own oxygen masks on before helping others. If your own capabilities are compromised, you won't be able to help others as effectively—particularly over time. Nonprofits that allow organizational investments to lag program growth often struggle. It isn't just that staff burn out. Ultimately, results can be threatened, too.

This was the situation Aspire Public Schools was facing in 2006. Driven by their desire to improve educational opportunities for California youth, Aspire's leaders had committed to an aggressive growth track. Two years into that plan, however, with new schools opening on schedule, they found themselves overtaxed and concerned about maintaining quality outcomes. It was no longer just an option but rather an imperative to tend to the organization's internal needs.

The Context

Founded in 1998 in San Francisco by Don Shalvey, former superintendent of the San Carlos Unified School District, with seed money from entrepreneur Reed Hastings, Aspire opened its first two elementary schools in 1999.[1] Fueled by early success, the organization grew rapidly, and by the end of 2003 was operating 10 high-performing elementary and middle schools in five districts. The schools had a 91 percent re-

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[1] Aspire was known as University Public Schools during its first year of operation.

enrollment rate, and demand for spots in them exceeded capacity by over 50 percent. Two Aspire schools placed in the top 1 percent of all California schools based on points gained on the state's Academic Performance Index. More than 90 percent of Aspire parents rated their children's school an "A" or a "B" (compared with a national average of about 58 percent), and 97 percent of teachers expressed satisfaction with their job.

The organization's five-year anniversary in 2003 provided a natural opportunity for CEO Shalvey and the rest of his leadership team to take inventory of their progress. In 2004 they developed a strategic growth plan that called for an even more aggressive trajectory: Aspire would operate 50 schools by 2015 and increase its impact as an advocate for education reform throughout California. As part of that expansion, Aspire would also begin to open high schools.

To ensure that the organization could handle the operational demands of growth, the plan also set explicit goals for bolstering infrastructure and adding senior managers. Aspire's new schools would be grouped into "clusters" of 12 to 15 schools in four geographies: the Bay Area, Sacramento, Central Valley, and Los Angeles. The Bay Area home office would continue to set strategy and manage quality across the organization. A network of new regional offices in the three other geographies, each led by a regional vice president (RVP), would serve the clusters more directly. Located no more than an hour's drive from any of the schools they handled, regional staff would implement Aspire's systems and processes, manage quality at a more localized level, and provide day-to-day support to schools in their cluster. The home office would provide operational support for new schools over the short term, until the regional offices were up and running.

Aspire quickly made progress towards its hiring goals at the senior-most levels. For example, in 2004 Mike Barr joined the organization as vice president of finance (he would become CFO shortly thereafter), and Linda Frost was hired as the Central Valley regional vice president. Barr and Frost joined the existing leadership team of Shalvey; Elise Darwish, the chief academic officer (CAO); and Gloria Lee, chief operating officer (COO).

As the organization continued to open new schools, however, the leadership team fell behind in its plan to fill several of the other management positions—specifically the much needed regional vice president slots. In 2006 Aspire's team realized that a vice

president of Secondary Education was critically needed as Aspire expanded into high schools. Shalvey assigned the position to Frost, a former high school principal and superintendent, in October 2006. But Frost's move into this role in November left Aspire with no regional vice presidents. As a result, Aspire was unable to open any of the planned regional offices. Instead, members of the leadership team—in particular, Shalvey, Darwish, and Lee—found themselves fulfilling not only their respective senior management role, but also the role of an RVP. As such, they were constantly traveling back and forth from Aspire's various locations.

As Shalvey described, "Elise, Gloria, and I were on the road three or four days per week. Most of our key work was devoted to RVP functions, especially since there were four new schools and six new principals. School achievement and building capacity of the new principals became the most important work. Certainly we couldn't devote as much time to our other functions—especially Elise, our chief academic officer. We found ourselves making decisions on the phone and in conference calls in our cars. Our long history together and effective instructional systems (and team members) enabled us to meet our school achievement targets, but momentum was slowing and key strategic initiatives weren't being addressed at satisfactory levels. We all knew that."

Aspire had become the biggest charter management nonprofit in the state. The organization continued to achieve successful outcomes, and was beginning to serve as a role model for other education nonprofits. But the leadership team was increasingly concerned about the organization's ability to continue to perform and improve school performance—particularly at the high school level, as this was a new area for them—if Aspire continued to grow apace.

Then, in late 2006, representatives from the city of Fresno and the Mayor himself contacted Shalvey and asked if Aspire would establish a presence in Fresno, a district where school performance was suffering. Fresno was over 90 miles from the closest Aspire location and 180 miles from the home office. Nonetheless, Shalvey was in favor of the idea, given the large number of students in need. But in order for this move to be economically feasible, Aspire would need to open a cluster of several schools in Fresno. At this prospect, the rest of the leadership team pushed back. As one team member explained, "We simply put our foot down about Fresno because we couldn't

grow without RVPs in place." COO Lee summarized the situation: "We want 50 quality schools, not 50 mediocre schools."

Key Questions

The five-member leadership team was over-extended and stressed about providing adequate levels of support to schools. In addition, they were at odds over the prospect of further growth in a new region. They knew that these issues could be substantively addressed by hiring the planned-for regional vice presidents, yet they weren't making any progress on that front. Was it simply that they lacked the time to devote to a carefully managed recruiting and hiring effort? Or were other issues affecting their ability to expand their capacity? The team worked with Bridgespan over a three-month period beginning in January 2007 to answer the following questions:

- Why hadn't Aspire's leadership team filled the RVP positions?

- What would they need to do in order to feel confident that they could expand to a new region without sacrificing quality?

- Would their approach to growth have to change (and if so, how) to ensure that they wouldn't find themselves similarly over-extended down the road?

Why Hadn't the Leadership Team Filled the RVP Positions?

Shalvey and his colleagues had hired principals and teachers on schedule with the 2004 plan. IT, HR, and other home-office staff had also joined, albeit a bit more slowly. What was different about hiring regional vice presidents?

It certainly wasn't for lack of need. Through several discussions, Aspire's leadership team members acknowledged the stress they were under. They recognized that by taking on RVP responsibilities themselves, they were under-investing in other areas. For example, the group wasn't giving the schools, particularly the high schools, as much support as they wanted to, raising concerns about quality. As one team member

said, "I can't support my principals the way I should while doing another full-time job." What's more, as noted earlier, Aspire couldn't open any regional offices without the RVPs. And without regional offices, Bay Area-based instructional coaches were supporting schools as far away as Los Angeles, ballooning their commute time. The coaches, too, were showing the strain. If the situation were not remedied quickly, turnover was likely to become an issue. With these realizations on the table, the leadership team agreed that the lack of RVP capacity was hurting Aspire's ability to grow with quality.

If not lack of need, what else could explain the unfilled RVP positions? The locus of the discussions shifted, and Shalvey and his colleagues examined several possible causes. Was it a lack of qualified candidates for the RVP positions? Perhaps. The team agreed that they hadn't seen the right person for the job. On the other hand, few resources had been put toward recruiting, and the executive search firm charged with recruiting RVPs had been put on hold. Maybe, then, it was lack of clarity about the skills and experiences they were looking for in an RVP candidate. Further probing revealed confusion did indeed exist here: Some thought instructional expertise was crucial, others prioritized operational expertise, and everyone agreed that it would be quite challenging to find enough individuals who were experts in both. But while finalizing the target candidate profile would require debate and compromise, the task was definitely doable. Might funding be the problem? There was certainly concern about the cost of hiring RVPs and using funding that otherwise could be put toward the schools directly or kept in reserve in case of an emergency. Cost was a key concern to Shalvey. Eventually, however, the team agreed that if they needed to raise the funds, they could.

These likely stumbling blocks were issues, but ones that they could surmount. Shalvey and his colleagues began to realize that a deeper root cause must be at play. Discussions uncovered that there was a profound anxiety about how Aspire could maintain quality as the leadership ranks expanded and it became impossible for the existing team of five to "touch" every school directly on a regular basis. The RVPs would be out in the field making critical decisions. These people would be new to Aspire; promoting from within was not an option, as no current staff would be ready to take on the RVP role for at least a few years. Would an outside hire be able to do things "the Aspire way?"

The team members realized that if this root cause was not addressed, problems would continue to crop up and jeopardize the organization's ability to sustain growth and quality.

Ensuring Quality through Clear Decision-Making

How could Aspire ensure that the new RVPs would maintain quality outcomes and adhere to "the Aspire way?" Without this assurance, the team would continue to find reasons not to hire RVPs. The organization needed an approach to define the appropriate level of accountability RVPs would hold.

Doing so would mean defining, for the first time, the boundaries of accountability for each of the leadership team positions. Aspire had a culture of shared accountability. The leadership team, in particular, was a tight unit. Shalvey, Lee, and Darwish collectively had made all critical strategic decisions for the organization for more than five years. Each team member had significant influence and input, with Shalvey making the final decisions on areas where the team could not reach consensus. This decision-making approach would need to change in order to incorporate the new RVPs into the organization.

Establishing Clear Decision-Making Principles

To that end, they articulated four principles of decision-making that they felt would simplify the decision-making process, allow for consistency, and also, importantly, allow for a reasonable amount of autonomy:

1) **Have a single person own each decision where possible.** This principle would promote clarity about who was responsible for what, and accountability for the results of the decision.

2) **Give decision-making authority to the person who is accountable for the outcome of the decision.** This principle would allow the person who would likely have the best information to make the decision. It would also help the
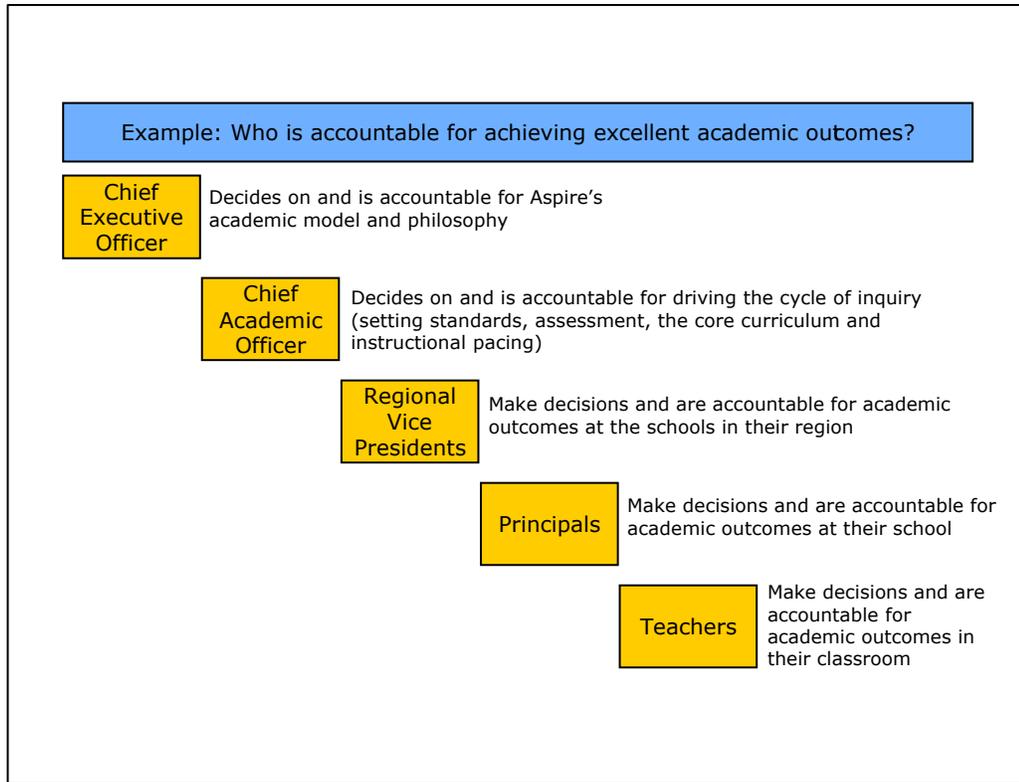
person responsible for the outcome feel as if they "owned" the decision and were not simply carrying out someone else's orders.

3) **Make as many decisions at the local level as possible.** This principle was an extension of the second principle. For example, decisions that affected the outcomes of one school should be made by that school, and decisions that affected the outcomes of one region should be made by that region.

4) **Make decisions about elements that must be common across schools at the home office level.** This principle assured the senior leadership team that critical elements, such as Aspire's instructional approach, would be consistent across the network.

With the principles on paper, the team immediately put them to use, vetting a worrisome issue: the desire to maintain Aspire's proven educational approach across all schools. The educational approach included the goals for academic outcomes, the types of students Aspire targeted, and the organization's instructional strategies. The team feared that principals and teachers might follow RVP decisions that conflicted with Aspire's educational approach. Following the new principles, the team clarified that the CEO ultimately would decide on and be accountable for Aspire's academic model and philosophy. The CAO would drive Aspire's cycle of inquiry (i.e., standards, assessment, core curriculum, and pacing). The RVP would make decisions and be accountable for outcomes at schools in their regions. Principals would own outcomes at their school, and teachers in their classroom.

The principles explicitly allowed each party to make decisions on his or her own, but also set boundaries for those decisions, and identified the point at which another level of input and authority would be required. For example, an RVP could not develop a ninth grade English curriculum that deviated from the core curriculum the CAO developed. But, an RVP could allocate teachers across classes, and also would be in charge of local teacher recruiting. Exhibit A summarizes the decision-making hierarchy.

Exhibit A: Using principles to clarify levels of accountability across the network

Example: Who is accountable for achieving excellent academic outcomes?

Chief Executive Officer — Decides on and is accountable for Aspire's academic model and philosophy

Chief Academic Officer — Decides on and is accountable for driving the cycle of inquiry (setting standards, assessment, the core curriculum and instructional pacing)

Regional Vice Presidents — Make decisions and are accountable for academic outcomes at the schools in their region

Principals — Make decisions and are accountable for academic outcomes at their school

Teachers — Make decisions and are accountable for academic outcomes in their classroom

Developing and articulating this structured approach to separating decisions and decision-makers was a critical breakthrough for the Aspire team. With this framework in place, the key aspects of the "Aspire way" would be maintained by the higher-level decisions made by the CEO and CAO. These top-level leaders would then be able to delegate other decisions to the RVPs without worrying that doing so could lead to compromised quality.

Assigning Specific Decision-Making Roles

With this major step taken, the team could then turn to creating more detailed decision-making parameters. They used a decision-making tool called RAPID[SM]. In a nutshell, RAPID helps organizations clarify existing decision-making processes, and establish guidelines for decision-making going forward by "mapping" the various roles or activities that any given decision requires. Each of the letters in the name represents one such activity or role. The letters do not indicate an ordered process; the name is

simply an easy way to remember the elements involved. The "D," for example, indicates the person who makes the final decision. The "I" indicates those who provide input; the "R," those who make a recommendation to the decision maker. The "P" stands for the people who carry out or perform the decision; and the "A" represents those who must approve the decision (or wield veto power). In some cases, the same people will take on multiple roles. For example, the person who recommends a decision may be the same one to perform, or execute, once the decision is made.[2]

RAPID helped the team see more explicitly how it would be possible to add a layer of management without losing control of quality or ceding the essential components of Aspire's educational model. For example, consider how the team used RAPID to clarify decisions about who owned the Aspire curriculum. After some debate, the team determined that with regard to curriculum, the CAO would both recommend (R) and make the decision (D) about what curriculum to use. She would gather input (I) from the CEO, RVPs, coaches, principals, and more experienced teachers. Coaches and experienced teachers would be the primary performers (P) and roll-out and train staff in how to use the curriculum. These roles aligned with the accountability principles that indicated the CAO was ultimately the authority over the Aspire curriculum. Neither the RVP nor the CEO controlled this decision, although both would be consulted for their input.

In a series of meetings, the team worked their way through all of the major decisions they could identify that would involve the new level of management, including school-level budgets. Shalvey recalled, "These conversations were crucial. It is challenging to transition from an informal system to one with clear decision-making roles. You need to do a lot of communicating to ensure feelings don't get hurt as people are left out of decisions they used to be a part of. The RAPID tool is a great approach if you're disciplined about using it. The meetings had their tense moments, but there was an underlying positive energy because of the alignment we'd created between the roles and responsibilities."

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[2] For a more complete description of RAPID, see "RAPID[SM] Decision-Making: What it is, why we like it, and how to get the most out of it," by Jon Huggett and Caitrin Moran on www.bridgespan.org.

Promoting "Healthy Growth"

With decision-making principles and roles for key decisions clear, the team members began to explore how to ensure organizational capacity kept pace with school growth in the future. The team realized that not investing adequately in the organization was threatening its ability to grow in a high-quality way. What this looked like in practice was deciding to add a new school that ultimately weakened the overall Aspire network by stretching staff and/or creating a financial strain. The team described the situation as "unhealthy growth."

"Healthy growth," in contrast, meant operating a new school while sustaining reasonable workloads and ensuring that existing schools continued to receive full support. In other words, it meant having an environment in which staff, at all levels, felt that they had the time, energy, and resources to put their best effort towards their responsibilities. This simple concept of healthy versus unhealthy growth helped the Aspire team develop a common language that incorporated organizational sustainability into their growth equation.

Exhibit B: Healthy vs. Unhealthy Growth

Healthy growth	Unhealthy growth
• We add a school that will deliver benefits to the kids in that school **and** make the Aspire network and organization stronger	• We add a school that will deliver benefits to the kids in that school **but** may weaken the Aspire network by - Over-stretching organizational capabilities, which may diminish educational outcomes in existing schools - Over-stretching the time of key individuals, which may risk turnover of our most valuable people - Creating a financial strain on the organization

Now the team members would need to make the theory practical. They needed to figure out how to build the idea of healthy growth into their decision-making. Part of Aspire's current growth process was the analysis of a district's attractiveness. Aspire

used a planning tool that assessed districts across parameters such as availability and cost of facilities, student need, and availability of funding. For example, in gauging facilities affordability and availability, the tool considered office and industrial vacancy rates and average rents per square foot. It weighted each of these parameters and calculated an overall attractiveness score for each district.

The tool did a superb job of evaluating and prioritizing among potential school sites, but it was not sufficient to ensure healthy growth for the network. To complement it and reinforce the healthy growth concept, the team developed four decision rules. Aspire would only add a school to the network if the leadership team agreed that the school would:

1) **Meet student need.** Aspire focused on serving disadvantaged students. Accordingly, the school had to be in an area where a large number of disadvantaged youth resided.

2) **Align with a cluster plan.** Clustering schools geographically was critical to making the regional model work. Any new school had to be in a location where Aspire was developing a cluster. One-off schools were not part of the plan.

3) **Support regional office and home office sustainability.** This rule explicitly embedded organizational capacity into the growth process. A regional structure needed to be in place to support the new school. At a minimum an RVP would need to be in place. Additionally, the home office had to have sufficient capacity to support both the new school and the existing schools in the network.

4) **Meet specific facilities criteria.** The new school opportunity had to meet Aspire's financial guidelines. For example, Aspire had set a target that on average facilities would make up no more than 12 percent of total school costs.

For an example of these rules in practice, consider the Fresno opportunity mentioned at the outset of this case study. How should Aspire respond to the Mayor's request? Would saying "yes" constitute healthy or unhealthy growth?

There were certainly needy students in Fresno that matched the kind of students Aspire wished to serve (Rule #1). Fresno's Mayor and the City Council recently had passed a resolution that committed the city to bringing quality charter organizations like Aspire to the city. This development made the possibility of opening multiple schools in Fresno look promising, and led Aspire's team to believe that the organization could develop a "cluster worth" of schools there (Rule #2). Fresno also was working to make facilities options more affordable, having committed to fast-tracking facilities projects and actively seeking funding to establish a charter incubator and facilities financing (Rule #4). The main sticking point, then, on the healthy growth screen, was that an RVP was not yet in place to manage a new cluster of schools in Fresno (Rule #3). Fresno was located quite a distance south of Aspire's other Central Valley schools— too far south to serve it out of the same regional office. Before the Aspire team members could commit to opening schools in Fresno, they would need to create and fill a new RVP position.

Aspire's team was emboldened by the new clarity of roles and new lens on growth decisions. They had uncovered the root cause of their inability to hire RVPs. They had addressed it by clarifying decision-making authority at a broad level, and making explicit the roles and responsibilities associated with specific and potentially contentious decisions. They had defined healthy growth and embedded into their growth decisions a way to debate whether a growth opportunity supported sustainability. The team was ready to hire RVPs, and team members were confident that their new approach would keep them from over-extending themselves down the road. They determined that they would hire or promote three new RVPs by the end of the 2007-08 school year. This number would increase to four RVPs to support the four clusters that would ultimately make up Aspire's full network of schools.

Making Change and Moving Forward

Since March of 2007 Aspire has made significant progress building the organizational capacity to support growth. They have identified two full time RVPs—one for the Central Valley (Alex Hernandez) and one for the Bay Area (Gloria Lee). Lee moved into the RVP role from her former position as COO. A new COO, James Wilcox, was hired. The CAO and COO no longer support dual roles, but rather are focusing on their primary responsibilities.

Aspire opened its first cluster office in Stockton in July 2007 to support its Northern Central Valley schools. As of the writing of this case study, the organization has seven staff members working out of this cluster office. The addition of RVPs allowed Aspire to open three new schools in the fall of 2007: Millsmont Secondary in Oakland, Port City Academy in Stockton, and a still-to-be-named elementary school in Huntington Park.

"The hard work of learning the importance of 'healthy growth' is now reaping a harvest of efficiency and performance," said Shalvey in a recent conversation. It was no coincidence that he was staring at a map of downtown Fresno when he made the comment. Now that Aspire has established a track record for successfully bringing in RVPs, healthy growth to Fresno is looking like a real possibility.