



From First Fruits to Abundant Harvest: Maximizing the Potential of Innovative Jewish Start-Ups

Executive Summary

The Jewish community – along with the rest of the world – is living through a period of rapid transformation. A critical element of this transformation is the recent proliferation of Jewish non-profit start-ups that are reconceptualizing the notion of Jewish community in profound ways. Some have the potential to make a lasting positive impact if given the proper resources.

Start-ups can take many paths and reach many different stages of organizational growth. Some organizations never need to grow beyond a certain size and others eventually close. Some start-ups, however, do make it to the “post-start-up” stage of organizational life. Post-start-up organizations have different characteristics and face different needs than they did in the start-up stage. They present a new set of challenges for the funders and capacity-building support organizations that assist them.

The Jewish community is now faced with the new, significant, and exciting challenge of supporting and integrating the most promising post-start-ups in a systemic way. Currently, the Jewish community offers very little support specifically geared toward post-start-up needs, nor are those needs broadly understood by funders, capacity builders, and even by the organizations themselves.

This study focuses on those start-up and post-start-up organizations, few in number but strong in transformative potential, that are poised to make a

significant contribution to the Jewish community. It sheds light on the unique needs and opportunities of both start-ups and post-start-ups in the Jewish community and the challenges they face as the innovative Jewish start-up sector matures. It calls attention to the severe drop-off in communal support that occurs as start-ups grow into the post-start-up stage, when both budgets and potential for impact are greater. It also suggests that some of the most successful high-growth-potential organizations are actually failing to grow at a healthy pace, not because they lack traction, demand for their services, or strong leadership, but rather because they lack financial and capacity building support that could help them to scale their impact, support that is often available to non-profits outside of the Jewish community. Finally, this report provides useful direction on how the three critical players in this sector – funders, support organizations, and the new organizations themselves – can work together to advance those initiatives with the greatest potential to transform the Jewish community.

Bikkurim and its partners throughout the Jewish community see exciting opportunities in the new organizations that are reimagining Jewish life in a celebratory and dynamic fashion. This report is a call to action to support and enable the most promising innovative Jewish start-ups and post-start-ups to realize their potential in building a vibrant and relevant Jewish community for the 21st century.

Key Findings

Finding #1

It takes a minimum of \$100,000 per year to fully launch a start-up with high growth potential.

This can be all cash or a combination of cash, program revenues, and in-kind services. Anything less than \$100,000 forces compromises in staffing, workspace, or program development and delivery.

Finding #2

Start-up budgets grow very rapidly in their early years, but healthy budgetary growth is not always linear.

Start-ups can reach a budget of \$750,000 by year seven; over \$1 million by year 10; and well over \$2 million by year 14.

Finding #3

Nine elements contribute to organizational growth along the continuum of organizational lifecycle stages.

- Strong leadership
- Stakeholder growth and diversity
- Staff growth and differentiation of roles
- Board growth
- Clear mission and vision
- Program expansion / demand for service
- Funding growth, diversification, and stability
- Strategic partnerships
- Visibility

Finding #4

Any one of eight obstacles can act as a barrier to growth.

- Executive director transition
- No increase in the circle of stakeholders
- Board in-fighting or lack of alignment with executive director
- Lack of staff growth
- Program stagnation; no momentum
- Uncertain growth plan
- Inadequate attention to infrastructure
- Inadequate funding

Finding #5

Start-ups and post-start-ups have different organizational development needs.

Finding #6

While some capacity building and funding are available in the start-up stage, there is a drop-off in both at the post-start-up stage.

Finding #7

In the Jewish community, capacity building and funding, for both start-ups and post-start-ups, are disaggregated. Outside of the Jewish community, capacity building and funding are often combined.

Finding #8

The absence of strong coordination among funders, among capacity builders, and between funders and capacity builders contributes to confusion, redundancy, and gaps in the field.

Recommendations

Recommendation #1

Ensure the availability of funding at levels needed for start-ups and post-start-ups to thrive.

The budgetary benchmarks detailed in Findings 1 and 2 can serve as useful guidelines to understanding the funding levels at which healthy start-up and post-start-up organizations can grow. Organizations themselves must also make sure that they are worthy of larger investments. They need to run efficiently and effectively, develop strong fundraising capabilities, and follow the best practices outlined in Finding 3.

Recommendation #2

Establish a new communal function to support post-start-ups.

There is a need for a new communal function to provide substantial funding, consulting, and capacity building support to high-performing and high-potential post-start-up organizations that are poised for growth. This could be structured as a separate organization, a collective, or as an initiative or project of an existing organization. Secular models of dedicated funding for growth and scaling can be instructive.

Recommendation #3

Ratchet up the use of “best practices,” especially regarding measuring impact.

Innovative Jewish start-ups and post-start-ups will grow more steadily and healthily if they achieve the elements of growth outlined in Finding 3 and embrace other “best practices” such as investing in organizational infrastructure and prioritizing the use of impact measures. The support organizations and funders of the innovative Jewish start-up sector can play an important role in creating a culture in which best practices, especially in the area of impact measurement, are put into place.

Recommendation #4

Increase collaboration among the key players in the innovative Jewish start-up sector.

Key players in the innovative Jewish start-up sector can work together in a number of ways to advance the most promising start-up and post-start-up organizations. True collaboration would bring the most benefit to the community but may be difficult to achieve. In the cases where collaboration is not attainable, working together in lesser degrees of partnership can still achieve important results.