Scaling Up Charter Management Organizations

Eight Key Lessons for Success

NATIONAL RESOURCE CENTER ON
CHARTER SCHOOL
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Acknowledgments

We would like to thank the leaders from the charter management organizations (CMOs) nationwide who we interviewed for this study.[1] Without their willingness to share their stories, this guidebook would not offer the richness and authenticity afforded by their experiences.

This guidebook on scaling up CMOs was written by researchers from the University of Southern California's Center on Educational Governance (CEG). CEG combines research aimed at building new theories about what makes schools work with action research and dissemination activities to spread best practices broadly and deeply. With this guidebook, we aim to provide useful information to the many charter schools across the country that seek to expand their impact by scaling up their school model.

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We dedicate this book to the school leaders everywhere who contribute to improving public education not only for the students they serve but also for the broader education community.

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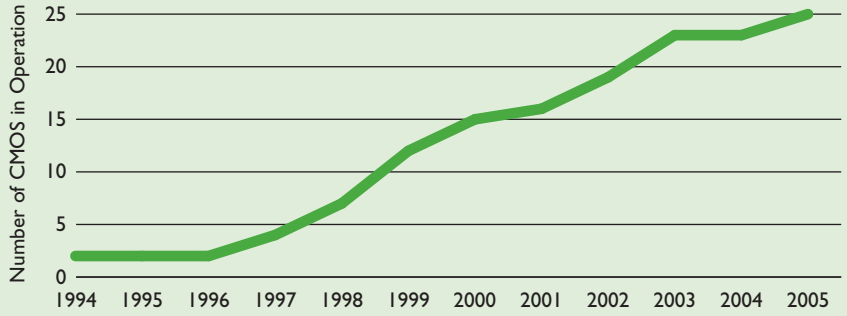
Introduction

After nearly two decades, charter schools have evolved beyond the original vision of the movement's founders. While charter schools continue to expand public school choice, many charter operators are beginning to think beyond the "one school-one community" ideology that dominated the first decade of the movement.

Charter leaders now are pushing to influence traditional school districts and local communities on a much larger scale. Charter schools also seek solutions to challenges that often plague stand-alone charter schools, like facility space and fundraising. Charter Management Organizations (CMOs), nonprofit networks of charters operated by a home office, have emerged in response to the issues of both scale and isolation.

Charter school networks are expanding rapidly across cities, states and the country. As shown in Figure 1, the number of CMOs has grown steadily since the first network was founded in 1994. But how should CMOs approach network growth so that their organizations remain high-quality?

Figure 1. The Growth of Charter Management Organizations



Researchers at the Center on Educational Governance at the University of Southern California's Rossier School of Education spoke with more than 50 leaders of CMOs in an effort to understand how CMOs originated and how they approached growth. This guidebook shares their experiences and offers a variety of lessons about how to navigate the intricacies of CMO growth.

Before sharing our results, it is important to note that CMOs are a relatively new governance model; the majority have been in operation for less than 10 years.

Therefore, it is important to define what we mean by the term CMO. We defined CMOs as nonprofit organizations that manage a network of charter schools to differentiate them from for-profit education management organizations.

The CMOs in the study shared three additional characteristics. First, each CMO has a common identifiable mission or instructional design across its schools. Second, every CMO has a home office or management team that provides significant ongoing administrative support to its schools. Finally, we included only CMOs that had at least three campuses in operation during the 2008–2009 school year with plans for further expansion to focus the study on the growth process. Our study excluded charter organizations that run virtual or online charter schools and school districts in which all public schools are charter schools. While a charter school in an all-charter district might be part of a CMO, the district itself wasn't considered a CMO. Additionally, agencies that serve a broader purpose but which also run one or more charter schools are not included, since their approach to growth likely differs from organizations that only oversee a network of charter schools. Using this definition, 40 CMOs were identified for inclusion into this study; the final study sample included 25 CMOs.

Based on our interviews, eight lessons for network growth emerged:

1 *Lesson One:* Create a Strategy for Growth
2 *Lesson Two:* Know the Landscape
3 *Lesson Three:* Know Who You Are and How to Communicate It
4 *Lesson Four:* Money Matters
5 *Lesson Five:* Invest in People Early
6 *Lesson Six:* Cultivate Relationships
7 *Lesson Seven:* Measure Your Success
8 *Lesson Eight:* Plan to Be Flexible

We hope that the lessons presented here prove useful to your work in expanding successful educational programs. We suggest you use this guidebook with other members of your organization: during a board retreat to plan your CMO's expansion, with a consultant working with school leaders, or as part of a strategic planning process.

Lesson One

Create a Strategy for Growth

Create a Strategy for Growth

"If you're a CMO, at various points in your growth you're going to be confronted with all different opportunities, but I think people just have to be very disciplined about what it is they think makes them successful, and they've got to subordinate other things until they've gotten to a point where what they're good at is totally repeatable, something they could do with their eyes blindfolded."

—Green Dot Public Schools

There are many potential benefits of scaling-up one charter school into a larger network of schools. A larger scale helps CMOs to educate more students, have a greater impact on local communities, and capitalize on economies of scale by centralizing many administrative tasks associated with managing schools, like finance, personnel and technology systems.

Deciding whether to grow, when, and how fast is specific to each CMO. Determining what's right for your CMO requires honest assessments of the state of your current operation and finding an approach to scaling that best suits your needs. Creating a strategy for growth is a critical step in your organization's planning process.

CMOs in our study emphasized how important it is to focus on the following aspects of strategic planning:

- Develop a mission that shapes growth;
- Establish short- and long-term plans for growth; and,
- Grow at the right pace for your organization.

Develop a Mission that Shapes Growth

Developing a mission should be a key component of your organization's strategic planning process. Whether it's a focus on college readiness or helping educationally disadvantaged students excel at math and engineering, identifying and honing your CMO's mission will create consistency across schools during the scale-up process. Once your CMO solidifies its mission, identify core areas on which you will not compromise. For instance, if your CMO is committed to success in math and science, a commitment to these curricular areas is non-negotiable. In one CMO leader's words, "Always

Scaling with What You Have: Being a "Small Giant"

A CMO leader at High Tech High discusses the concept of being a "Small Giant" and why growth targets need to be closely tied to the CMO's mission:

> *Something that's been a seminal event for us was the publication of this book called "Small Giants," by Bo Burlingham. Its subtitle is "Companies That Choose to Be Great Instead of Big." I don't know if you've heard of Zingerman's Deli in Ann Arbor, Michigan. It's one of the best delis in the country; it could be opening delis anywhere it wants to! But instead it's sticking to Ann Arbor, the community that it knows the best. Because that's what the company is passionate about; that's what it loves.*
>
> *We've thought, 'Hey, how could High Tech High potentially become a small giant? Something that everybody knows is having a profound impact on others?' Perhaps the answer is to not take on the risk of opening new schools in other locales.*

determine way up front what your non-negotiables will be, and by that I mean, be very certain about what it is you want to replicate."

In some cases, CMO leaders felt it was important to include the CMO's vision for growth in the mission statement in addition to educational goals. In this way, the entire school community understands where their CMO is headed.

Establish Short- and Long-Term Plans for Growth

Once you develop a mission that incorporates growth, you need to develop a plan to accomplish this mission. Creating a strategic plan that maps out both short-term and long-range goals is an effective way to manage growth and reflect on your CMO's mission. Planning for growth takes many forms. Some CMO leaders choose to hire consultants to guide them through the planning

"The long-term goals give us a balanced perspective toward both the implementation quality of our current schools as well as the broader, more future-oriented impact of our CMO."

process. For example, a CMO that hired a national consulting firm reported that the consulting firm "engaged with the board, with staff and also supporters: foundations and community groups. We came up with a plan that has been helpful for shaping our thoughts going forward." Others choose a much more informal approach, based on community demand: "Our strategy around scale really came to asking, 'Okay, what do our parents need?' So literally the first time we ever thought about a second school was when parents of our eighth-graders asked, 'So, what are we doing for high school?'" Regardless of the approach taken, all agreed that organizational growth benefits from being well thought out.

Often, it's easy to focus only on your ultimate growth target. For some CMOs, the target is enrolling a certain percentage of the neighborhood's public-school students. For other CMOs, long-range targets focus on a "magic number" of campuses that lead to financial sustainability for the organization. Planning for long-term growth is an important component in the growth process. One CMO leader explained the necessity of long-range plans: "The long-term goals give us a balanced perspective toward both the implementation quality of our current schools as well as the broader, more future-oriented impact of our CMO."

However, short-term growth planning is also critical. Developing timetables for opening new campuses year-to-year is important. One CMO leader describes how their timeline for opening a new school is all-inclusive: "Everything from hiring the principal, to making sure we have our technology systems set up, to when we order copying machines, when we buy books, when we run our recruitment cycle for students. It's literally an A through Z list of things that need to get done."

Many of the CMO leaders interviewed stress that short-term planning helps them determine realistic growth targets from one year to the next. Using planning guides made difficult decisions easier. One CMO had three main benchmarks which, if not met, delayed the opening of the new school: "We initiated a very simple green-lighting process. In order to move forward with plans to open a new school, we need to get the charter by a certain date, hire the principal by a certain date and acquire a facility by a certain date."

Grow at the Right Pace for Your Organization

After your CMO develops a clear mission and creates short- and long-term plans, you should decide on a realistic and responsible pace for scale-up. The right pace is different for every CMO. The leaders we spoke with emphasize a number of elements that determine pace of growth. First, CMO leaders caution against growth "simply for growth's sake." CMOs should spend time developing a clear sense of the "value-added" to communities served from opening additional campuses. In the words of one CMO leader, "Are we really going to have more transformational impact having 20 campuses than with 10 campuses?"

Also, CMOs should consider whether growth adds value to their own organizations. Will opening more schools make your organization stronger or more successful at fulfilling its mission? A good practice is to ask yourself and your team, "What are you trying to accomplish and to what extent does that require additional campuses?"

Growing at the right pace also translates into growing conservatively within your organization's means. Scale-up should be done on an "as-needed" basis determined by existing resources and sustainable, renewable sources of funding. In the case of one CMO, their

Question: What factors help you determine your CMO's pace of growth?

A: "Reach an amount of scale in one place first before you go to multiple places. Being in multiple cities and multiple communities dramatically increases the degree of difficulty."

A: "We grow a school one grade at a time, so it's a manageable growth timeline. We're not out there trying to find 500 kids all at once and hiring a bunch of teachers the first year. Instead, we're looking for 140 kids and five or six great teachers."

A: "The most important thing is to have your academic programs and your school cultural characteristics and pillars really well defined. We've been good at that—our school quality and culture are very consistent from school to school. If you first know what are you are trying to replicate and master that, then the business realities can be figured out."

A: "We want to take care of our existing schools and make sure that the quality of all three is where we want it to be. I'll feel more comfortable taking on the next set of risks financially when we're further down the road with our current scale-up."

"We need to differentiate ourselves. We're not going to grow just to grow. Charter legislation was designed with the intent of having charters experiment with innovation and be laboratories for educational reform: That's where we see ourselves positioned. . . . We're starting a dialogue with the district, saying that our schools can be laboratories for the district-run schools. We want to create the research and development to inform the reform work of high schools and middle schools."

—Envision Schools

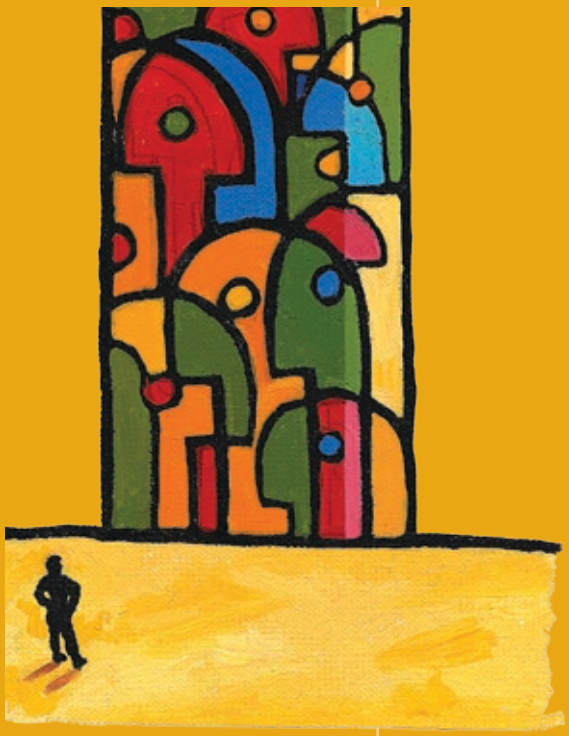
reliance on a wealthy individual donor's annual $1 million to $2 million dollar checks caused the CMO to close one of their top schools when those donations abruptly ended. One CMO leader advises, "Be clear about your mission and your planning strategies, and then find the money. Don't chase after money—have the courage to say no when the focus takes you in a different direction. Always focus on your mission and plan." Another CMO cautions, "Nothing is more important than building your organization so that it can live within the resources you have."

Finally, several of the CMO leaders we spoke with explained that the pace of growth is correlated with the quality of existing school campuses and home office operations. For some CMOs, maintaining quality means growing each new school one grade at a time. For others, it means pacing the scale-up of new school sites with the expansion of the home office so that schools have the support they need to succeed.

Now you do it!

Questions to ask yourself as you create a strategy for growth:

- Does your CMO have a clear mission that helps shape growth decisions?
- Will opening new campuses increase your ability to fulfill your mission? If so, how many schools are needed, and how soon would they need to be opened?
- Have you developed both short-term and long-term plans for growth?
- Does your growth plan enable you to expand within your means?
- How does your CMO's proposed pace of growth maintain standards of quality before, during and after scaling up?



Lesson Two

Know the Landscape

Know the Landscape

Developing a strategy for growth is an important first step for CMOs. But after growth targets are set, how can CMOs ensure they meet their scale-up goals? Step two in the process is to "know the landscape." It's important to gain an in-depth understanding of the community where prospective schools will be located. Also important are understanding local and state laws, policies and procedures, and the political climate. Responding to unique community needs and avoiding the strict standardization of practices across a network of schools are important aspects of preparing for growth.

Knowing your landscape includes five key elements:

- Know the ins and outs of charter laws;
- Be politically savvy;
- Venture out and engage your community;
- Choose new locations strategically; and,
- Adapt to local community needs.

Once you understand the dynamics of the local communities in which your CMO is considering growth, maintaining flexibility during replication is key to successful scale-up.

Know the Ins and Outs of Charter Laws

Several CMO leaders noted that when they expand their networks to new states, they make the decision of where to grow based on the relative friendliness of the state's charter law. CMO leaders mentioned specific charter policies that aid growth: transparent application processes, realistic reauthorization criteria, an independent authorizing entity, an appeals process, and no cap on the number of charter schools. As one CMO leader in California explained, "Two things enable our growth. First, California hasn't reached the cap on

Several websites offer analyses of charter school legislation, including:

The **National Alliance for Public Charter Schools**' website houses the Public Charter School Dashboard that provides information about charter schools in each state. Visit: www.publiccharters.org

The **Center for Education Reform** provides state-by-state profiles of charter school laws as well as a ranking of each state's law based on a number of factors, including the presence of multiple authorizers, the number of schools allowed and measures of autonomy. Visit: www.edreform.com

The **Education Commission of the States**' database contains information about charter school laws in each state. This database can generate profiles of the policies in individual states; create comparisons of specific types of charter school policies across several states; and view predetermined reports on state charter school policies. Visit: www.ecs.org

Note: While these websites are updated regularly, they do not always keep pace with changes in legislation. State charter school associations can be a great resource for finding out about recent changes to state laws.

the number of charters allowed. Second, we have appeal rights, so if we are denied at our local school district, we can appeal to the county level. If your county denies you, then you can go to the state board. Other states don't offer that flexibility: If you get denied at the local level, you're done."

However, laws are not static; they're amended regularly, and implementation varies over time and across locations. Staying aware of local policies and practices—not only state legislation—can help prevent you from being caught unaware of changes at both levels of governance. As one CMO leader noted, "There's a constant need to be acutely aware of the political realities in which we operate, so we're not caught up

A Conversation with Lighthouse Academies

Lighthouse Academies has opened charter schools in six states. Their strategy is to enter states where charter laws are conducive to sustainable growth. The conversation below highlights some of the "landscaping" Lighthouse Schools did before expanding to new states.

Q: You have charter schools that are geographically dispersed. Tell me about how you've chosen the specific cities and communities.

A: First, we did a survey of the 41 states with charter school statutes. We looked for states in which there was a clear path to chartering, a clear path to re-authorizing and states that were still underserved, in terms of needs versus number of charters. We came up with a smaller list, and went to interview authorizers, investigated the political climate and looked again at needs. We then selected five states, looked at their neediest communities and then began to apply for charters.

Q: When you say you looked at the laws that had a clear path to chartering, do you mean states without caps, or states that at least hadn't met their caps? What were your criteria?

A: We wanted a chartering entity other than a local school board, states that had room under their caps, or had no caps. This information told us the states in which we could potentially form clusters of schools.

short by suddenly having legislation change. Or, for example, in Los Angeles Unified, board members have put on the table a moratorium on charter schools. Each time it's been voted down, but I think it's important for charter operators to develop and maintain relationships with the districts in which they operate. That way, we, the CMO, is not caught off guard and the district, on the other hand, knows about the value of the work we're doing."

Be Politically Savvy

"I do feel that sometimes the actual work to be done gets lost in the politics. We forget that we are in this business to serve kids. Decisions should be based on the needs of students and not what the political figurehead in the community wants. So there's been a bit of tension where the educators have felt at times that politics have taken over the work we need to do. I don't think we would have been able to scale up as quickly as we have had it not been for the political support we received, but I'm hoping we see a bit more of a balance in the future."

While navigating the political scene in a new place can be tricky, developing relationships with key stakeholders can expedite the process of growing your CMO or establishing your network in a new region. Knowing who key stakeholders are—business, civic and religious leaders—and having them on your side (or even better, on your board) will lend access to important resources such as facilities, financial capital and human capital.

As with community organizing and advocacy, leveraging the political capital of your school community is another way to be politically savvy. For example, parents from one of your schools may form a voting bloc within a local voting district. Teaching parents how to be advocates for the school can help elect candidates who are favorable to charters. Also, parents are a useful resource beyond your local community. A number of CMOs harness the voices of parents by helping to organize lobbying groups. While these groups are not managed by the CMOs themselves, CMO leaders help educate parents about state policies that are detrimental to charters and encourage parent groups to lobby state politicians to push for favorable charter policies.

It is wise to remember that you are building what will hopefully be a sustainable enterprise. Though it may

501(c)(3) Organizations: Advocacy Can and Can'ts

When it comes to advocacy, what you can and can't do as a tax-exempt nonprofit is a function of distinguishing between political and lobbying activity. Lobbying activity is a legitimate function of 501(c)(3) organizations—as most charter schools are—while political activity is not.

CAN: Lobbying Activity

Definition: "Influencing the outcome of legislation."

Examples:

- Informing candidates of your position on issues.
- Encouraging candidates to support your interests.
- Publishing or distributing voting records that list and describe legislation and how members voted.
- Hosting public forums where candidates can discuss their views on issues concerning charter schools.
- Publishing or distributing position papers to your school community or the general public.

CAN'T: Political Activity

Definition: "Influencing the outcome of an election—federal, state or local."

Examples:

- Endorsing or opposing specific candidates.
- Working for or against the election of a candidate.
- Directing financial or in-kind contributions to individual candidates, political parties or political action committees.

Note: This material is intended for use as a resource guide. It in no way represents legal advice. Please consult legal counsel for specific guidance.

be tempting to confront public figures whose actions interfere with what you are trying to accomplish, it may be preferable to "let the irritation run its course," as one leader noted. Ultimately, it's the relationships that CMOs build with their local communities that count. While it can be easy to get caught up in the political game, at the end of the day, putting students' needs first should be the main priority of any CMO.

Venture Out and Engage Your Community

Growing to new locations is not only about securing the support of key political and community leaders. It is important to engage the community targeted for new school sites. Building name recognition and your reputation in a new place takes patience and perseverance. To accomplish this, CMOs in our study use a variety of methods:

- Organizing parent and community groups into school advocacy teams;
- Using media to get your message out—creating DVDs, radio ads, Web content;
- Hosting open forums in local churches and community centers; and,
- Going door-to-door in prospective communities or mailing information to local families.

"First do some deep community engagement—learn what the climate is in the neighborhood or the geographic area. On the other hand, it's critical to be very clear about the geographic area you want to serve. Different areas have different needs and it's way too difficult to try to meet all of them."

—Partnerships to Uplift Communities

Some CMO leaders acknowledge that community support isn't always a prerequisite for opening new schools. As one leader reported, "We go into a neighborhood and then gather support after we've already decided to move into the community. If we don't have a whole lot of support at the start, we'll still open the school and gain support over the coming years because we run good schools." However, the majority of leaders we interviewed emphasized the importance of community engagement to the long-term success of a school. One CMO leader explained, "We

Views Around Town: Parents as Political Assets

Being politically savvy includes harnessing the power of local stakeholders to help advocate for favorable charter legislation. A number of CMOs encourage parents to organize and see results from their advocacy work.

Q: How do your parents play a role in CMO growth?

A: "We have a software system that allows us to show on a virtual pin map where all our families live. With our parents, we have a kind of low-key advocacy group; the parents get t-shirts with the CMO name and they visit legislators' offices in the capital and locally. When I showed the mayoral candidates the map with 6,000 parents located all over the city, each noted the power of the numbers: 'Wow, this is a voting bloc.'"

A: "In Connecticut, we worked to help create an organization called Connecticut Coalition for Achievement Now (ConnCAN), modeled off EdVoice in California. ConnCAN spends time and energy lobbying folks, meeting with legislators, hosting breakfasts: the whole nine yards."

A: "Ideally, with the next school transformation, we won't have to get teachers to sign saying they want our CMO to take over the school. Instead, we can get parents in the community to push for the changes, be the people collecting signatures, and things like that."

have six schools in one city, which means that we have six principals and a regional vice president. So, each of our school leaders belongs to an active business or community group, like Rotary or Kiwanis, where they meet other civic leaders in the community. The second thing is to investigate which nonprofit organizations, like Boys and Girls Clubs, need board members, and you get your school leaders on those boards so that when someone says to the nonprofit leader, 'Who's on your board?' they can reply, 'So-and-so, she's a principal [with that CMO] and she's really working hard on our board.' CMOs have to be local organizations, and the only way to do that is to demonstrate that the community is what matters."

Choose New Locations Strategically

"When opening new schools, we're going to choose places where we already have schools. That's where we have regional infrastructure."
—*Imagine Schools*

Knowing the landscape also means choosing new locations strategically. Thinking about where to open new campuses is a multifaceted decision. It involves deciding what's best for your CMO network from a management perspective, and also what's best for your CMO from a community perspective. Several of the CMOs we spoke with mentioned the importance of keeping their schools geographically compact. This way, a CMO can utilize its existing regional infrastructure to grow; schools can support one another and combine efforts to reach out to the broader community. In a similar vein, a number of statewide or multi-state CMOs have chosen regional or cluster-based growth models so that new CMO schools have the support of more established neighboring schools.

From a more community-based perspective, being strategic about the location of new schools can make CMO growth a far smoother process. One CMO leader explained the rationale for deciding to add a second state to their charter network: "I think our decision to move into New York is when we became

Engaging the Community: Three Do's and a Don't

Do: Reach out and build support: It will benefit you in the long run.
"We were very lucky that when the district set up the requests for proposals for our original conversion, there was a lot of community networking done. That was very important to what we finally were able to accomplish. Now we have community support built into our subsequent build-outs and openings of new schools."

Do: Identify community advocates.
"We've done a lot of grass-roots community organizing: identifying the leaders in the community and then working through them to gain access to community forums, community meetings, and talking to them about the best way to reach out to families within the community."

Do: Understand regional differences.
"It isn't just, 'OK, we're going to go to East Los Angeles.' In East L.A., there's Boyle Heights East L.A., there's Lincoln Heights East L.A., and there's East L.A. East L.A. . . . Knowing community differences is key to understanding the reform efforts already underway and being able to capitalize on them."

Don't: Underestimate the importance of an early, structured start.
"In our next effort, whether it be to open new middle schools or to convert a school, we need to get way ahead of the messaging—blanket the community with media, and take a much more structured approach to talking with folks, and talking to the right folks. Sometimes we talk to the squeaky wheel, or the squeakiest wheels, and they're not always the wheels we should be rolling with. It takes a while to figure all that out, and then you're down to the wire with the school opening in a few months. We need to be a lot more savvy, a lot more sophisticated going forward in our approach to community organizing."

A Conversation with KIPP

The Knowledge is Power Program (KIPP) has been one of the fastest growing CMOs in the country. Currently, there are 82 KIPP charter schools in 19 state sand the District of Columbia. KIPP schools are funded and managed as independent nonprofit organizations with training and technical support from the KIPP Foundation. The majority of KIPP schools are in regional clusters, although there are a smaller number of single site schools.

Q: How do you decide where KIPP will open schools each year?

A: Currently, the KIPP Foundation is not opening schools in new regions, as our priority is to focus on developing growth potential in our current regions. Specifically, KIPP has focused growth in regions that have strong local support for acquiring the funding, facilities, operating freedom and talented individuals needed for KIPP to succeed in a given city.

Q: Explain how the ability to acquire funding is incorporated into your growth strategy.

A: As part of a region's growth strategy, we consider the projected sources and uses of funds for the region over the next five years as well as the amount of fundraising needed to supplement existing revenue streams.

Q: How do facilities factor into your decisions on scale-up?

A: During the market assessment, we determine where the greatest need exists and how the facilities strategy aligns with those needs. We focus on a multiple school/site strategy over time.

Q: What does "operating freedom" mean to KIPP?

A: Freedoms pertains to the charter law in the state. We look for a strong charter law allowing financial, academic and operational autonomy.

Q: How does prospective leadership figure in to growth decisions?

A: We look at leaders on a couple of levels: Executive directors who will be responsible for ensuring the creation and implementation of a region-wide strategic plan and management of the school leaders in the region, and school leaders who have successfully completed the KIPP School Leadership program. We also look for the availability of involved and influential community members for the local KIPP board and a strong pipeline for mission-driven educators who have a track record of strong academic results.

"We are looking for areas where school choice will mean something, either because schools in the neighborhood are failing, or are perceived to be of poor quality by the parents, and/or they're overcrowded."

—*Perspectives Charter Schools*

more strategic. We thought hard about what we need to be successful—funding, facilities, autonomy, political support—and New York City, under Chancellor Joel Klein, provided all of those." Choosing new school locations strategically also involves assessing community demand. Many CMOs open new campuses within a targeted community because they feel their current schools are not meeting neighborhood demand. Extensive waiting lists at existing schools might indicate that it's time to open an additional campus. Other CMOs choose communities where they feel school choice for parents and students is desperately lacking.

Adapt to Local Community Needs

A benefit of the CMO network approach is the ability to establish common practices and processes that streamline operations throughout the organization. However, understanding the nuances of new communities is also invaluable. CMO leaders caution against taking a "cookie cutter" approach to the scale-up process. Having replicable core practices need not mean rigidity in the application of these practices to different locales. One leader noted, "You may have heard the expression that Chicago is a city of neighborhoods. Doing business in the south loop in our first school is radically different than doing business in Auburn Gresham, west of the city. Some CMOs think they can cookie cut; however, in reality they are serving uniquely different populations, and they can't cookie cut."

Replicable practices should adapt to new environments. Imagine Schools, among other CMOs, celebrates uniqueness in their schools, rather than adhering to a strict "franchised model." A leader at Imagine recommends, "You could have the most perfect curriculum in the world, and it might be very successful in one place and flop somewhere else. In other words,

I think you have to let go of the notion that you've got a successful school and therefore you can do it five more times exactly in the same way. . . . I think one of the reasons we have been able to grow is that we really celebrate the fact that each school is unique."

Now you do it!

Questions to ask yourself as you get to know the landscape for growth:

- How friendly are the local and state legislative and political climates towards charters?
- Is there a range of authorizer types in the state? Is there an appeals process?
- Do you have good relationships with authorizers, district school board members and other local elected officials?
- Who are your advocates in the area? How will you get to know local community stakeholders?
- Do you have support from the community at large? If so, how can you use this support to your advantage?
- What is your strategy for choosing new school locations? What role does community needs play in this strategy?
- How will you adapt your CMO governance and curricular models to the needs of different school communities?

Lesson 3

Know Who You Are and How to Communicate It

Know Who You Are and How to Communicate It

A CMO's identity—the mission, organizational culture, and educational model—defines the work it does. Communicating this identity, or brand, to schools within the network helps ensure consistent levels of quality as you grow. Communicating your brand to external stakeholders is a critical component to successful growth as well, helping the broader public identify who you are and what you offer.

As you define your CMO's brand and develop channels for communicating it, consider the following three components:

- Know who you are, then develop a brand;
- Broadcast your brand to external stakeholders; and,
- Seek brand consistency across school sites.

Know Who You Are, then Develop a Brand

A visible and easily understood identity communicates what makes your organization unique and why it is worth people's time and attention. Defining your CMO's "brand" is a fundamental step to ensure the effective communication of your identity to others during the scale-up process. This prevents dilution of your vision and fosters cohesiveness within your expanding pool of students and staff.

Whether your CMO's brand is curricular or focuses on serving students in specific geographic regions, a clear identity and brand makes establishing roots in new communities much easier.

Broadcast Your Brand to External Stakeholders

Once you've developed an identity or brand that you feel represents your CMO and its educational mission, it's important to communicate your brand to local community stakeholders. If parents, business

What's in a name?

A unifying name that each of your campuses uses helps boost name recognition with new schools as they open. One CMO, ICEF Public Schools, learned this the hard way: Despite a large waitlist for their flagship school, parents were reluctant to enroll their children at a new campus run by the same CMO because the name of their CMO and the new campuses weren't familiar.

"We have a branding problem, because ICEF doesn't really ring a bell in people's minds—half our parents have no idea what ICEF is. That was a big shock to us because we always had a huge waiting list (over 6,000) for our first family of schools—View Park Prep. We called people and said, 'There's no room at View Park, but you can go to our new family of schools, Frederick Douglass.' And they're like, 'No, I want to go to View Park. Frederick Douglass has the same curriculum, you're getting the same View Park education. . . . It's not rational; brands are an emotional thing for people and we're struggling with that."

leaders, private funders and local politicians have an understanding of your CMO's mission and practices, they will be more likely to support your efforts to open up new schools in nearby communities. One CMO leader discussed how they intend to become more proactive with their community outreach: "Our CMO has its own community organizing team, which canvasses neighborhoods and hosts open houses in local churches and other community-based organizations . . . [but] we need to get even more sophisticated about our community organizing efforts and really get the information out early. If there's an absence of message, people will create their own and that is not always a good thing or even accurate."

Utilizing a CMO-wide monthly newsletter to keep your communities aware of new happenings is one avenue for regular communication. Newsletters can

include updates from your campuses about notable accomplishments by students and staff. Sharing this type of information with current and future community stakeholders allows them to better understand your CMO, and where the organization is with respect to its short and long term goals.

Seek Brand Consistency Across School Sites

Another important factor for successful replication is brand consistency across your CMO schools. Reinforce the CMO name and purpose frequently among your families and staff to increase their vested interest in, and sense of belonging to, the organization you run. As one CMO leader explains, "Make sure your messaging around your mission and your plan are clear, and that you're communicating those all the time, not just to the external world, but to your schools and your staff internally."

"I didn't care about the name in the sense of having our name on everything just to have a label, but I realized over time that it was crucial for our teachers to know and understand what it meant to be Imagine so they can live the values, and be accountable and responsible for the organization's development."

—Imagine Schools

Another CMO is able to ensure consistency across school sites through its "mitochondrial" strategy: Each new school is opened with a school leader and teachers who currently work at a school within their network. The staff is able to communicate the CMO's pedagogical values and mission from the first day. One leader at this CMO blamed a failed attempt at a turnaround school in a new state on the fact that the new school did not have the "mitochondrial" teachers.

Now you do it!

Questions to ask yourself as you define and communicate your CMO's brand:

- What makes your CMO unique? What core areas of learning will you focus on? What specific student populations do you want to serve?
- How will you communicate your CMO brand to others, within and outside of the organization?
- How will you ensure brand consistency as you grow your network?

Lesson 4

Money Matters

Money Matters

Financial security can be a primary motivator of CMO growth. Larger school networks make funding operational costs more manageable and also allow for CMOs to capitalize on economies of scale. However, finding adequate funding to enable growth continues to pose a serious challenge. Strategies for developing financial stability include:

- Seek diverse funding sources;
- Secure funding for specific purposes; and,
- Consider any "strings attached" before accepting funding.

Seek Diverse Funding Sources

As the saying goes, don't put all your eggs in one basket. The adage holds true for CMOs and funding sources. CMO leaders advise having a funding strategy that pulls from multiple sources to supplement the state per-pupil allocation that may include: corporate giving, individual donations, in-kind donations, government grants, philanthropic support, and nonprofit venture capital. Expanding your funding sources helps prevent cash-flow crunches from unexpected shortages in any one source. One CMO leader explains, "We have many local funding partners, not one big angel." This approach safeguards the CMO against financial hardships that can result from reliance on a small number of private funders.

"Our largest local corporate and individual donors, Excelon Corporation and the Rowe and Clark families, did a competitive bid where they invited three different school groups to submit proposals and interview and tour with them They ultimately selected us, and their investment was in excess of $4 million."

—Noble Network of Charter Schools

CMOs use a variety of strategies to find new sources of funding that include utilizing connections of board members and exploring grants from both corporate sources and philanthropic foundations. Grant writing doesn't need to be a solitary endeavor. A group of California CMOs recently collaborated on a successful grant proposal to the Bill & Melinda Gates Foundation to develop strategies for teacher effectiveness. Most importantly, be proactive and utilize a variety of channels to pursue new funding opportunities.

Question: How do you diversity your funding streams?

A: "In 2003–04 we started to look at the sources of funding that had helped us to grow. Venture capital from Venture Philanthropy Partners, NewSchools Venture Fund, start-up grants from the Walton Family Foundation: Those are the sources we started to aggressively pursue to grow our home-office capacity without having to take money from our CMO-affiliated schools."

A: "If we lost one of our main foundations, we'd be totally sunk for the next year. So we're trying to build our base of individual donations while understanding that it's going to be a number of years before we'll be able to meet our needs. Now our funding streams include a combination of foundations, corporations and individuals. We're moving from about a ratio of funding of 50-35-15 from foundations, corporations, individuals, to more the national averages for nonprofits, which is more like the reverse of that, 15-35-50, from foundations and corporations to individuals."

A: "Our three main funding streams are the Charter School Growth Fund, the Walton Family Foundation and the federal Charter Schools Program grants, which amount to about $450,000 over a three-year period. The Charter School Growth Fund allows us to staff our home office without getting that money from the schools, and from the Walton Family Foundation we get start-up money for each school we open."

Secure Funding For Specific Purposes

While some funders provide CMOs with discretionary funding, funding is usually allocated for specific purposes, like purchasing a facility or training personnel. Corporate funders may also be interested in aspects of your educational mission that mirror their own expertise. For instance, the Honda Foundation supports the Alliance for College-Ready Public Schools' work on math. A CMO executive from the Alliance explains, "There are numerous smaller funders who just fund specifically what it is that we submit a proposal for." These targeted grants are contrasted against larger ones aimed at financing the facilities and construction costs that accompany CMO growth.

Many CMO leaders talked about the importance of creative thinking when it comes to managing money and other assets. In some cases, opportunities for funding seem to be more readily available for scaling up and building new schools than for the maintenance or improvement of existing campuses and their operations. Some CMOs have found that money for operations is harder to raise than money for facilities, as some funders like to see a concrete return on their investment versus funding what seems intangible. As one CMO said, "It's easier to raise $10 million of capital money than $3 million of operations money." In addition, the lower per pupil funding allocated in many states to charter schools as compared to district-run schools results in many CMOs using growth capital they raise to cover operations.

Certain funders give money for specific phases of growth. For Great Hearts Academies, the Charter School Growth Fund provided $2.7 million over five years specifically for scaling up their home office, which covered capacity expenses such as hiring new staff. The Bill & Melinda Gates Foundation also is known for giving start-up money to CMOs for their first few years of growth.

Creative Ways to Fund Facilities

Facilities are generally the heftiest (and arguably, the most essential—no building, no school) expense for CMOs when it comes to start-up costs. Here's how four CMOs were able to secure facilities for their scale-up.

"One of the surplus DCPS [Washington, D.C. Public Schools] facilities is what we're using for our third school, so that definitely solved the facilities problem for us."

"We were working with an organization called the Illinois Facilities Fund, or IFF. They received a U.S. Department of Education grant to do credit enhancement on not-for-profit bonds, and that's how we financed the build-outs of our initial campuses."

"A wealthy private donor here in San Diego has helped us reduce the level of debt on our buildings."

"We have shared space in New York City. . . . We rent it for $1 a year. In upstate New York, real estate is relatively cheap, so we finance it ourselves—it tends to run the schools about $750 a kid, which is pretty darn good. However, in Newark, New Jersey where we also have schools, facilities are disproportionately expensive, so we do new market tax credit deals in order to finance the buildings. Our goal, no matter how we think about finding and developing and financing the facilities, is for the school to end up with the smallest payment possible, but the amount varies depending on the region."

Partnering with Private Donors: Three Do's

CMO leaders discuss lessons learned from partnering with foundations and other private funders.

Do: Accept funding that aligns with preexisting CMO objectives and growth targets, not donor demands.

"It's improper and dangerous for a funder to require a CMO to grow based on some type of formula. Factors need to be in place—facilities and the right leadership—those are the 'gotta have's.' If those aren't in place, it's better to open up only one school than to go ahead with two or three just to draw money from the foundation."

Do: Think about how your CMO will sustain itself after private donations are no longer available.

"Nothing is more important than building your organization to live within the resources you have. We get millions of dollars in grant money every year, but we do not budget grant money. If we are getting $42 million from the D.C. government, that's what the budget is, that's it. Anything else we add on top."

Do: Use foundations and private donors as a resource for capacity-building.

"We have relationships with funders that if we did not have, we wouldn't be close to where we are now. Gates and the Michael and Susan Dell Foundations have helped us. They've invested in our thoughtful growth, and that has meant at various times helping us staff our home office, helping us think about business planning and allowing us to hire consultants that we wouldn't otherwise be able to hire. Those investments have been critical, in my mind, to ensuring that we're growing in smart ways, and that we're becoming more mature as an organization."

Consider Any "Strings Attached" Before Accepting Funding

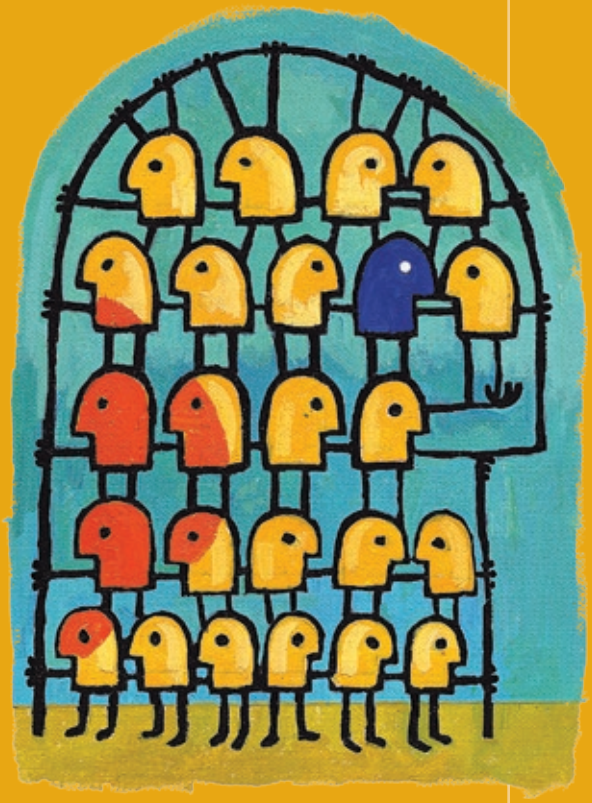
Money, CMO leaders find, doesn't come free. Funders look at their own returns on investments and often attach conditions to the money they give, affecting the pace and course of scale-up. Some CMO leaders felt the philanthropic community pushed the rapid expansion of their network. This focus on growth can be detrimental to CMOs, encouraging scaling at the expense of school quality or diverting CMOs from their overall mission.

One CMO leader explained, "Dollars can make you stray from your mission, so we're very purposeful now of having the money support our mission, as opposed to chasing money and changing our strategy." Seasoned CMO leaders advised younger CMOs to "have very difficult, explicit conversations at the beginning of their relationship with a new funder . . . in terms of pace, potential roadblocks or bumps you foresee and how the partnership can work together to navigate the challenges that arise."

Now you do it!

Questions to ask yourself as you fundraise for your CMO:

- What are your main sources of funding? Are they appropriately diversified? If not, what avenues can you pursue to diversify your current funder portfolio?
- Will you be financially sustainable if private funding dries up?
- Can you approach specific foundations or corporations for targeted growth-related funds like facilities or leadership training?
- Have you had candid conversations with your funders about how their goals and expectations align with your own? Are you prepared to meet donors' expectations?



Lesson 5

Invest in People Early

Invest in People Early

Growing any organization requires thoughtful planning and considerable financial support. However, successful growth also hinges on smart decision-making about how and when to hire new employees. CMO leaders devote considerable time and energy to developing hiring practices and timelines so that qualified, well-trained employees are ready to lead each new campus.

Investing early in human capital can benefit your CMO during its scale-up process. Three key components for successful leadership development are:

- Staff up in advance of growth;
- Develop a leadership pipeline; and,
- Recruit a diverse board of directors.

Staff Up in Advance of Growth

Managing CMOs can be fast-paced: Organizational needs are not always congruent with realities like the availability of funds. However, whenever possible, your CMO should aim to hire new staff in advance of growth. While staffing up early requires either outside funding or diverting funds from schools to invest in the home office, having adequate human capital will facilitate high-quality, efficient growth. One CMO leader explains the importance of hiring staff before the need becomes too urgent: "I think our biggest lesson has been the fact that we should have hired a CFO earlier than we did. It also took us too long to hire a facilities director. Before these new hires, facilities and finance were responsibilities that fell largely on the CEO, so he was not free to be the visionary that he needed to be."

CMO leaders also advise staffing up to complement existing skills sets. For example, if the founding leaders have education backgrounds, adding a home office staff person with business expertise is prudent. If the founders come from the business world, on the other

Planning Around Roles: Key Personnel

CMOs that start small often end up with personnel who are responsible for multiple aspects of the CMO's operations. Careful planning of roles and clarifying decision-making responsibility is a crucial part of the scale-up process and helps prevent confusion and inefficiency. Also, as mentioned earlier, hiring people who bring skill sets that balance out the overall expertise of the home office is critical because limited resources make hiring large numbers of administrators difficult. Roles and departments CMO leaders identify as helpful to have during the scale-up process are discussed here.

Chief Financial Officer

"Bring on a CFO early. There's so much money involved in getting to scale. We're talking tens of millions of dollars, and to have that borrowed, invested and budgeted correctly is very important."

—*Noble Network of Charter Schools*

Chief Operations Officer

"There's not been one CMO that's been successful without having great operators—people who understand how to govern, manage and operate schools."

—*Lighthouse Academies*

Facilities Scout/Director of Real Estate

"A facilities scout position might be a really wise way to spend $35,000 a year. You just can't stress enough the importance of facilities."

—*Arthur Academy/Mastery Learning*

Relationships Builder

"You need someone who can be a relationship builder and trailblazer with local districts and local government. We have someone who brings four decades of relationships in public education and a whole lot of credibility as a former superintendent. For me, it's hard to imagine being excited about joining any organization that didn't bring that kind of depth and credibility, both on the specific content of what we do as well as the relationships we need to get the work done."

—*Aspire Public Schools*

Development Director/Team

"We need a development office of 10, 15, 20 people; we need to be raising money, using a very systematic, deliberate approach. It takes about three years to get the development operation up and running, and then it will take on a life of its own."

—*ICEF Public Schools*

Human Resources Director/Team

"There's got to be at least one person, and probably more, who thinks from the time she wakes up to the time she goes to bed, 'How do we get great people and what are we doing to get them here, train them and keep them with us?'"

—*YES Prep Public Schools*

"It's important to avoid being so understaffed that you fall way behind and burn out your team."
—*Uncommon Schools*

hand, bringing in a chief academic officer would make more sense. Regardless of the founders' expertise, CMO leaders agreed that certain home office positions are particularly useful during the scale-up process. These include people with expertise in facilities acquisition and management, relationship-building and human resources.

Develop a Leadership Pipeline

Ensuring a steady stream of talented personnel to staff new schools begins by recruiting individuals, but it doesn't stop there. Creating a leadership pipeline means establishing opportunities for professional development as well as advancement. One CMO leader explains, "People like working for us because they feel like there are opportunities for advancement and people don't get hired in above them who don't know the CMO's culture." It also means preparing qualified people to step in when others leave. As one leader said, "It's all about the leaders, training them, empowering them, and making sure that we have leaders-in-waiting."

"What's your board composition? How engaged are they? Are they contributors? Can they contribute large dollar amounts? Do they have expertise in the area of growing an organization, whether nonprofit or for-profit?"
—*New City Public Schools*

Some CMOs choose to develop new talent by recruiting externally, but many emphasized the value of grooming future leaders from within. One CMO, High Tech High in San Diego, has developed its own teacher credentialing program. Training its own teachers allows this CMO to tailor the credentialing curriculum to the specific mission and vision of the organization.[2] Another CMO set the goal of having 80 percent to 90 percent of its leadership come from within the organization. A combination of existing and new teachers helps provide cultural continuity at the new campuses.

In order to grow and groom a school's staff, CMO leaders recommend implementing a unified program of professional development across all schools, with ample lateral and horizontal opportunities for all employees. Effective leadership training programs typically include extended periods of shadowing, residencies or mentorships.

View Around Town: Creating a Positive Work Culture

CMO leaders stressed the importance of creating a culture conducive to good working relationships:

"Surround yourself with people who are collegial and who will constantly consider how to do things better."

"The most important thing is building a culture of trust."

"Our most successful schools are the ones where the school leader is able to inspire a sense of adventure in creating a new school, instead of, 'Oh, woe is me, we don't have our computers up.' or, 'We don't have an art teacher.' In my mind, that is part of the journey of creating a new school: the excitement of it. I see a lot of educators who are risk-averse. Everything has to be researched to death and proven before a first step is taken—that's just not real life!"

Tools of the Trade: Creating and Sustaining a High-Quality Governing Board

A high-quality charter school governing board is critical to the success of charter schools. CEG's new Issue Brief on high-quality charter boards synthesizes advice and research on:

- Stages of board development;
- Board size;
- Board composition and areas of member expertise;
- Board membership;
- Board member orientation and training; and,
- Indicators of effective board operations.

See: Wohlstetter, Smith, Farrell and O'Neil (2009). Maximizing effectiveness: Focusing the microscope on charter school governing boards. *Washington: National Resource Center on Charter School Finance and Governance.*

Recruit a Diverse Board of Directors

A strong board of directors provides your CMO with the expertise, resources and relationships for successful scale-up. Recruiting members with specific know-how (e.g., real estate, media relations, marketing) helps you build technical expertise. Recruiting well-connected members will expand your CMO's resources and span of influence. After assessing the strengths of board members and the future plans of the CMO, efforts to bring in new members can target specific areas of need.

Beyond guiding the overall trajectory of your CMO, board members can be benefactors in their own right. As one CMO leader explains, "Our initial funding was directly from our board." Whether the board's role is fundraising, creating strategic goals or networking, CMO leaders urge newer charter organizations not to underestimate the board's importance. A disengaged board of directors can make successful growth far more difficult. As one CMO leader reported, "We are making plans now to restructure the board—to get some new people involved. But this time we want to bring on people who know what is expected of them in terms of supporting the CMO with their time and expertise."

Now you do it!

Questions to ask yourself as you invest in human capital:

- What positions in the home office will you need to help scale successfully and when should you fill them?
- How will you offer opportunities for advancement and prepare for changes in leadership at both the home office and school levels?
- How will you recruit and train new leaders and teachers?
- What is the ideal composition of your board?

Lesson 6

Cultivate Relationships

Cultivate Relationships

No successful organization can exist in a vacuum. Cultivating meaningful relationships with a wide variety of stakeholders can help with scale-up efforts. Sometimes relationships are formal partnerships; other times, they are more informal. The CMOs we talked with have strong relationships with organizations from the public, private and nonprofit sectors: school districts, local colleges and universities, businesses and foundations, to name a few. Whatever the nature of your CMO's partnerships, developing and maintaining good relationships with a broad array of partners provides your organization with access to many different resources. The CMO leaders we spoke with recommended concentrating on three key relationship-building strategies:

- Foster relationships with other educational institutions;
- Create public-private partnerships; and,
- Build relationships with planning partners.

Foster Relationships with Other Educational Institutions

In addition to collaboration within your own CMO network, there is often the potential for forming partnerships with other educational institutions. Envision Schools' Metropolitan Arts and Tech School in San Francisco, for example, is located on Burton High School's campus, a school operated independently of Envision. As well as sharing facilities, Envision has partnered with Burton to enable Metropolitan students to participate in Burton's athletic programs. "We have schools in San Francisco that we like to call 'educational partnerships.' They're basically co-locations and they've been working out very well," an Envision leader said.

Other CMOs partner with local colleges and universities primarily for teacher training purposes. New City Public Schools has a partnership with

California State University, Long Beach that is a win-win relationship for both organizations. New City leaders teach in the university's teacher education programs, while at the same time, university students can do their student teaching at New City. The relationship helps the CMO develop a pipeline of teachers that have already gained familiarity with the CMO's structure and culture. From the university perspective, the relationship expands their teaching faculty and also helps with career placement, since recent graduates often opt to join New City where they student-taught.

On occasion, CMOs also collaborate with one another. Three CMOs with schools located geographically close to one another—Uncommon Schools, KIPP New York City and Achievement First—have joined forces to develop a teacher training program that will prepare teachers for their similar work environments. As one of the CMO leaders explained, "There is no question that we are competing for the same great teachers, but that's really the only place we find ourselves competing directly. I think we've found that tying ourselves closely together through our common teacher training program actually makes it more likely that we won't tear each other apart."

Create Public-Private Partnerships

Creating partnerships with nonprofit organizations, the corporate sector and government offices can also be a valuable asset to your CMO's growth.[3] Many CMOs use public-private partnerships to secure in-kind donations that are critical to network growth. For example, one CMO formed a partnership with the accounting firm Ernst & Young. In addition to monetary support, Ernst & Young launched a team-based volunteer program called Ernst & Young College MAP (Mentoring for Access and Persistence) to provide mentorship and support to low-income 11th and 12th grade students and their families as they prepare for college.

In addition, there are organizations like the NewSchools Venture Fund, a social venture capital firm, that have become key partners for CMOs nationwide. As one leader said, "NewSchools Venture Fund provides money but, equally important, it works at creating a national community of CMOs. NewSchools has great annual conferences where they bring together CMOs and nurture relationships both across and within states. I feel comfortable calling any number of CMO leaders from across the country. Most of the people in senior level positions in other CMOs are of similar mindsets, so it's very conducive to being collaborative."

Finally, some CMOs have also worked on building alliances with the most unlikely of partners—teachers'

Relationship Advice: A Do and a Don't

Do: Maintain relationships.
"We're always finding that a relationship we've made in the past and not taken for granted has come back and really blessed us. We happened to know a guy who owns acres of land in an area we were looking in to build new schools. Some 18 months later, because we made an impression on that person, he contacts us and says, 'Hey, I have a buddy who's looking to rent out some land for ten years or so before the market gets back up. Would you be interested?'"

Don't: Rely too much on personal relationships to make things work.
"[Our previous CEO] had all these connections, so he would call up CMO staff and say, 'Hey, go on over and talk to so-and-so.' A lot of meetings were done out of obligation to the CEO. What we came to find out was that the quality we were getting, long after the first handshake, was substandard, simply because people felt obligated to do a favor for the CEO. Once the CEO left, we spent a lot of time reviewing our relationships and making sure that we were getting a quality product that was priced competitively."

unions. While teachers' unions have been historically unsupportive of charter schools, some unions have become more comfortable with charter schools over time. At the same time, a few CMOs have found benefits in working with labor unions rather than against them. At the extreme is Green Dot Public Schools, a Los Angeles-based CMO that was approached by the United Federation of Teachers to open a partnership school in New York City.[4] According to Green Dot, "The decision to jointly open the school was based on bringing in the largest teachers' union and having their inclusive endorsement of our school model. We thought that would be another proof point and powerful statement about what charters can do and what public education should be like: Forward-thinking, progressive, entrepreneurial organizations tackling tough student populations with the union as a full partner."

Build Relationships with Planning Partners

If creating a strategic plan seems like a daunting task, don't fret. Strategic planning doesn't need to be a solitary process. Several CMO leaders we spoke with hired both management consultants and nonprofit consultants. The consultants assisted CMO leaders with everything from fine-tuning management information systems and reporting structures to helping articulate the CMO's vision and turning it into a marketable business plan.

Receiving consulting services doesn't have to be costly. In the case of one CMO, a board member and partner at a management consulting firm provided the CMO with pro-bono services from his company. Foundations may also provide funding to develop strategic plans. Another CMO, after hearing complaints about frustrations with external consultants, took a different approach and hired someone to be an in-house consultant: "What we tried to do was get somebody who was a smart critical thinker and a good writer. We hired the person and basically taught him how to be a consultant."

CMO leaders share how consultants helped them plan for scale-up:

"[The consulting company's] study came with tons of research about where we were strong and where we were weak."

"[The firm] came with a full team; they spent approximately three months helping us think through what it is that we wanted to build."

"We hire experts, not so much on what to do, mostly on how to do."

"We had a huge team that was helping us do a full-blown strategic plan. As a result, a lot of things changed, our growth plan was tweaked. . . . They also went through and did a systematic, less anecdotal, analysis of how we should think about staffing our home office. They dug into a couple of areas in-depth that were our big rocks at the time, and they also helped us tweak our financial model."

Now you do it!

Questions to ask yourself as you cultivate relationships:

- Have you examined the potential for collaboration with other educational institutions?
- Have you examined the potential for creating public-private partnerships?
- How will partnerships facilitate your growth plans?
- Could a planning partner help create or strengthen your strategic plan?

Lesson 7

Measure Your Success

Measure Your Success

Assessing scale-up success is contingent on clear performance goals that can serve as growth milestones. However, it's important to remember that measuring success with respect to growth is not necessarily synonymous with measuring the organizational success of your CMO. If measures are concrete enough and comprehensive, they will enable your CMO to track progress against benchmarks and to identify good practices and eliminate unproductive ones. Identifying benchmarks that include both growth and quality can help keep your scale-up efforts on target. When developing performance goals, remember to:

- Be results-driven; and,
- Grade yourself systematically and regularly.

Be Results-Driven

Borrowing from the corporate sector, the idea of a "bottom line" can be applied to CMOs though not exclusively in financial terms. The idea, as one CMO suggested, is to build a results-driven enterprise that ensures accountability: "Most educational organizations do not really look at what you call the 'bottom line.' I don't mean economics as the bottom line, I mean what are the results and how did you get them? That's really important—holding yourself accountable."

CMO leaders identify several "results measures" to gauge scale-up success. They note the difference between measuring outputs such as the number of students reached by a new school versus outcomes like increases in graduation rates and stress that good performance measurement includes both. Measures ranged from hard, quantitative information such as test scores and financial data that looked at economic sustainability to more qualitative assessments of successful school leadership or positive CMO network

cultures. Measuring scale-up requires multiple data points, of which student achievement is only one component.

Grade Yourself Systematically and Regularly

From parent and staff surveys to electronic data tracking systems, CMO leaders stress the importance of evaluation systems and processes that are able to demonstrate the quality of education the school delivers. When designed well, the assessments are especially helpful when compiling applications for grants and funding assistance as well as for charter renewal.

In one instance, a CMO and its largest funder, the Charter School Growth Fund, agreed on a set of 75 milestones to track progress on everything from philanthropic dollars raised to community outreach to more traditional measures such as student achievement and teacher quality and retention. In the words of the CMO leader, "Our milestones are really the living, breathing document that drives our work daily, and that all of us are evaluated against."

Another CMO has all its campuses undergo an annual "School Quality Review," a formal process that uses both qualitative (student, teacher and parent satisfaction surveys) and quantitative (SAT scores, college acceptance, persistence and attrition rates) data. A leader at this CMO highlighted the importance of making the assessment process flexible and iterative. The campuses give input, rather than the home office imposing an evaluation from above. The evaluation process is also allowed to evolve from year to year: "Over many years, we've come up with something we like a whole lot, and yet we keep improving it."

Ultimately, setting metrics for assessment and grading your CMO and its schools on a regular basis should help

Question: What measures do you use to gauge the success of your scale-up efforts?

Student performance

A: "Making sure student performance on other campuses is just as high as our original campus, and that includes things like attendance and test scores and graduation rates and college attendance rates."

—Noble Network of Charter Schools

A: "Getting kids into college and, more importantly, having them graduate college. If we can outdo our competitors on the ACT, lovely, but if kids don't have the wherewithal to stay in college, and fail classes in college, then we've failed."

—Perspectives Charter Schools

A: "We have many measures of success, but the most prominent ones are that four of our high schools are in the top 12 high schools in all of Los Angeles Unified, and we've only been around for four years; also 100 percent of our schools are statistically significantly outperforming the school down the street that students most likely would have gone to had they not attended our school. Those results are very compelling, and they show we are on the right path."

—Alliance for College-Ready Public Schools

School culture

A: "I think it's really a matter of opening new schools that seamlessly fit in with the schools in the network that have existed for five years. If we do it right, there won't be much of a difference across schools; if not, there's the squeaky wheel—everybody kind of looks at one other and questions if we really should have opened the school. So, it's getting schools from the start to carry on the mission and culture of Arthur Academy."

—Arthur Academy/Mastery Learning

Broader Impact

A: "We are trying to [put] ourselves out of jobs, meaning, if we're doing a good job then we're forcing the district to change, and if the district changes enough, then you really don't need us, right?"

—Green Dot Public Schools

A: "We look at how districts are responding to us. The one district where we have the largest percent of students is not responding at all; they're withering away. In other districts that have more capacity we're seeing things change, even though we serve fewer students. We need to figure out concrete measures for determining whether we're successful at being a catalyst for transformation."

—*Propel Schools*

Parent choice and returning students

A: "We have a measure that's called parent choice—is the school full, are we recruiting well and then even more important, did families continue to choose our school? The last measure, the percentage of returning families is maybe the most reliable measure of all."[5]

—*Imagine Schools*

Faculty and leadership retention

A: "Faculty retention, the quality of the faculty, who we are retaining: all these are very important measures for us."

—*Great Hearts Academies*

A: "Principal turnover. . . . It's all about the principal. Until you figure out how to develop or hire great principals, and retain them, your CMO will never thrive or reach scale or have the impact on students' lives that it should."

—*ICEF Public Schools*

Financial and budgetary measures

A: "School solvency: Schools are in the black."

—*Great Hearts Academies*

A: "Every year we want to cost less than the year before on a per-student basis—that's a key measure toward sustainability for us. We talk about that as closing the gap. Disciplined growth is another measure. . . . If we're not growing and maintaining quality, then we haven't done well."

—*Aspire Public Schools*

A: "We're trying to put in place a matrix to help us minimize waste and maximize dollars for students and teachers to use. For example, what's the average amount of money wasted per student on our lunch service? "

—*Alliance for College-Ready Public Schools*

"At the end of the day, the ultimate measure for us is the number of kids we graduate who are prepared to succeed in college and are able to live happy and productive lives—that's what our mission statement says. Of course, that's a really hard thing to measure, especially when the children are 11 years old."

—Knowledge is Power Program

you gauge whether you are fulfilling the mission of the organization. Nonetheless, some CMO leaders stress that measuring this is not always a straightforward process. A few were fine with some level of ambiguity; others cycled back to fine-tune their missions.

Now you do it!

Questions to ask yourself as you measure your success:

- What metrics will you use to gauge the success of your scale-up process?
- How frequently will scale-up efforts be evaluated?
- How can your assessment tools be further refined?
- Are your growth benchmarks aligned with the overall mission of your CMO?

Lesson 8

Plan to Be Flexible

Plan to be Flexible

Successful scaling is contingent on smart strategic planning. The long-term objectives of your CMO—the vision and brand you want to establish—should orient the activities of your CMO. However, even the most thoughtful planning sometimes requires adjustments. Remaining focused yet flexible is key to success when it comes to scale-up. As your CMO grows, remember to:

- Plan ahead, then use your plan; and,
- Be willing to change directions.

Plan Ahead, then USE Your Plan

It almost goes without saying that the plan you devise should be a document you refer to often. However, a handful of CMO leaders we spoke with candidly stated that they rarely went over theirs.

The written document itself—your constitution for growth—should be frequently revisited, updated and amended as necessary to reflect your progress and practical realities. When one CMO realized it was taking on too much too fast, its strategic plan was brought before the board for "benchmark refinement." Rather than sticking to its plan of opening two schools in two years, the CMO instead decided to open two schools in four years. Regular and periodic refinement of your strategic plan helps maintain its relevance.

Just how far in advance should strategic planning take place? CMO leaders cautioned that planning for the next year alone was insufficient and advised a range of at least two to five years down the line. From the end point, CMO leaders recommend planning backwards, mapping out targets on a reverse timeline. As one leader said, "Determine what your network is going to look like when you're fully scaled and plan backwards from there. I don't think CMOs do that enough."

Question: How often do you revisit your strategic plan?

A: "Pretty frequently: certainly much more frequently than I imagined when the plan was first written. If we want to hire a new person, we consult the plan for our forecasted budget over the next five years to see how the new hire would impact our plan. . . . I would say I look at the plan and compare reality with the plan probably on a weekly basis."

A: "We revisit the plan annually for a number of reasons. We use the process to see where we are relative to the plan. Second, we're still in the process of trying to figure out the best way to maximize our impact, both within the Bay Area and also nationally. We consider whether we are moving too slowly or too quickly, and also how our funding partners are reacting to our pace of growth."

A: "We don't really revisit the plan during the year but it's incorporated into our yearly goals. . . . We never take out the whole strategic plan and say, 'Oh, this is what we said we'd do, are we doing it?' I know that we're approaching things probably in a different way than we planned, but it's all about getting to the same bottom line, in terms of number of kids."

A: "We have chiefs' meetings once a week, and we talk about the plan loosely and informally. We take a systematic look at it probably twice a year."

In addition to benchmarks, CMO leaders suggested planning new roles and systems. "If you're planning for growth, don't be reluctant to embrace business approaches, like organizational charts with clear lines of decision-making and accountability," suggested one leader.

Also helpful is keeping record of important decisions made during planning sessions. Another CMO leader recommended having somebody on your team build a "policy manual" that documents and helps institutionalize all key decisions and their rationale for adoption.

Be Willing to Change Directions

If your CMO is actively engaged with its strategic plan, there inevitably will be occasions when the projected trajectory of the organization does not overlap with the CMO's current realities. CMO leaders we spoke with emphasize that flexibility is key to successful scale-up.

One CMO experienced the need to adapt their growth strategy in a very real way. Originally, this organization decided on an approach to growth that allowed new charter school leaders to go through a training process where they would learn about the mission, vision and culture of the CMO. Then, they could open a new school site using the CMO's name. What CMO leaders discovered was that this franchising approach to network growth did not give them enough oversight over each new campus. Quality started to become an issue. As a result, the CMO decided to separate itself from these low-performing campuses, no longer allowing them to use its name. Moving forward, the CMO only opens schools that it manages directly.

Another CMO spent considerable time and resources preparing to open new schools in a different state. They had built up relationships and a support system

for these new schools. However, as the first school came closer and closer to opening, the CMO leaders felt increasingly unsure about their decision to develop the network across state lines: "We've talked about going to Texas. We went way down the road; we hired a director to work in Texas and we hired teachers to work in Texas." Ultimately, the CMO decided not to move forward with their original growth plan. Rather than consider all the work that went into developing the new school site a failure, the CMO chose to view their decision as a strategic success. They realized the original strategy would not be beneficial for the CMO and they were not afraid to change directions.

Now you do it!

Questions to ask yourself as you plan to be flexible:

- How often will your strategic plan be revisited? Who will be involved with this process?
- How will changes to your CMO's growth plans be incorporated throughout your organization?
- How will you ensure flexibility as you implement your plan?

Conclusion

The results from our study of CMO scale-up, presented here in eight lessons, suggest that scaling up CMOs can create high-quality networks of charter schools. This is especially the case when growth is managed in a purposeful way. However, it is important to remember that the lessons we've offered are guidelines, not rules. Every organization that approaches growth must do so with a focus on its own organization's structure and culture, as well as an understanding of the communities it wishes to serve and the state and local policy contexts in which it is nested.

Appendix: CMO Profiles

The CMOs listed below participated in the interviews conducted for our study.

Achievement First
Year established: 1999
Number of schools, 2008–09 school year: 15
Grades served: K–12
CMO mission: To deliver on the promise of equal educational opportunity for all of America's children. We believe that all children, regardless of race or economic status, can succeed if they have access to a great education. Achievement First schools will provide all of our students with the academic and character skills they need to graduate from top colleges, to succeed in a competitive world, and to serve as the next generation of leaders of their communities.
Website: www.achievementfirst.org

Algiers Charter School Association
Year established: 2005
Number of schools, 2008–09 school year: 9
Grades served: PreK–12
CMO mission: To prepare every school and every teacher to teach every child, so that all will learn.
Website: www.algierscharterschools.org

Alliance for College-Ready Public Schools
Year established: 2003
Number of schools, 2008–09 school year: 10
Grades served: 6–12
CMO mission: To open and operate a network of excellent small high-performing 9–12 and 6–8 public schools in historically underachieving, low-income, overcrowded communities in Los Angeles that will significantly outperform other public schools in preparing students to enter and succeed in college.
Website: www.laalliance.org

Arthur Academy/Mastery Learning
Year established: 2002
Number of schools, 2008–09 school year: 6
Grades served: K–6
CMO mission: To accelerate the educational achievement and academic competency of all its students; to become an effective and innovative school model; to provide the community with a high quality alternative approach to teaching.
Website: www.arthuracademy.org

Aspire Public Schools
Year established: 1998
Number of schools, 2008–09 school year: 21
Grades served: K–12
CMO mission: Aspire builds quality small schools that provide choice in underserved neighborhoods, in order to increase the academic performance of California's diverse students, develop effective educators, catalyze change in public schools and share successful practices with other forward-thinking educators.
Website: www.aspirepublicschools.org

Cesar Chavez Public Charter Schools for Public Policy
Year established: 1998
Number of schools, 2008–09 school year: 3
Grades served: 6–12
CMO mission: To ensure that significantly more Washington, D.C. students have access to a high-quality education that prepares them for success in college and life; to develop an ever-growing force of young leaders who have the skills and knowledge to create positive change in their communities and the world around them; and to provide a model of replication and school network design for other successful schools to follow.
Website: www.cesarchavezhs.org

Envision Schools
Year established: 2002
Number of schools, 2008–09 school year: 4
Grades served: 9–12
CMO mission: To transform the lives of our students—especially those who will be the first in their families to attend college—by preparing them for success in college and in life.
Website: www.envisionschools.org

Friendship Public Charter Schools
Year established: 1997
Number of schools, 2008–09 school year: 5
Grades served: PreK–12
CMO mission: To provide a world-class education that motivates students to achieve high academic standards, enjoy learning and develop as ethical, literate, well-rounded and self-sufficient citizens that contribute actively to their communities.
Website: www.friendshipschools.org

Great Hearts Academies
Year established: 2002
Number of schools, 2008–09 school year: 5
Grades served: 6–12
CMO mission: To create a network of academically rigorous, liberal arts middle and high schools in the Phoenix metropolitan area. This network will prepare its graduates for college and to be leaders in creating a more philosophical, humane, and just society. Through its graduates and presence in the market, Great Hearts will be a catalyst for improving public education opportunities in the region.
Website: www.greatheartsaz.org

Green Dot Public Schools
Year established: 1999
Number of schools, 2008–09 school year: 19
Grades served: 9–12
CMO mission: Green Dot envisions a public school system in Los Angeles made up of small, excellent schools that encourage and welcome parental involvement and opinions, support teacher creativity, and educate students at their highest and best levels, no matter what their background.
Website: www.greendot.org

High Tech High
Year established: 1999
Number of schools, 2008–09 school year: 8
Grades served: K–12
CMO mission: To combat the twin problems of student disengagement and low academic achievement by creating personalized, project-based learning environments where all students are known well and challenged to meet high expectations. HTH schools attempt to show how education can be redesigned to ensure that all students graduate well prepared for college, work and citizenship.
Website: www.hightechhigh.org

IDEA Public Schools
Year established: 2000
Number of schools, 2008–09 school year: 10
Grades served: K–12
CMO mission: To prepare students from underserved communities for success in college and citizenship by developing students with the academic, social and leadership characteristics needed to apply, matriculate and succeed at a four-year college or university.
Website: www.ideapublicschools.org

Imagine Schools
Year established: 2003
Number of schools, 2008–09 school year: 75
Grades served: PreK–12
CMO mission: To help parents and guardians educate their children by creating learning communities of achievement and hope. We create and operate public charter schools with the goal of restoring vision and purpose to schools and returning parents and guardians to full participation in the education of their children. We devote ourselves to creating joy-filled schools in which all are valued, all are responsible for their actions, and all are working toward the common goal of student success.
Website: www.imagineschools.com

ICEF Public Schools
Year established: 1994
Number of schools, 2008–09 school year: 13
Grades served: K–12
CMO mission: To create as many schools as it takes to create 2,000 college graduates a year so they can come back and be the leadership in their own community.

King/Chavez Public Schools
Year established: 2000
Number of schools, 2008–09 school year: 6
Grades served: PreK–8
CMO mission: Seek Excellence and Equality in Education from the Foundation of Love.
Website: www.kingchavez.net

Knowledge is Power Program
Year established: 1994
Number of schools, 2008–09 school year: 82
Grades served: K–12
CMO mission: To create a respected, influential, national network of public schools that are successful in helping students from educationally underserved communities develop the knowledge, skills, character, and habits needed to succeed in college and the competitive world beyond.
Website: www.kipp.org

Lighthouse Academies
Year established: 2003
Number of schools, 2008–09 school year: 10
Grades served: K–12
CMO mission: Students enrolled in a Lighthouse Academies school acquire the skills, knowledge and character needed to successfully complete a post-secondary college or university program. We accomplish this through the use of a rigorous, arts-infused program; a focus on the whole child; and the creation of a nurturing and strong school culture of achievement, safety and responsibility.
Website: www.lighthouse-academies.org

Mastery Charter Schools
Year established: 2001
Number of schools, 2008–09 school year: 4
Grades served: 7–12
CMO mission: To ensure that all students learn the academic and personal skills they need to succeed in higher education, to compete in the global economy, and to pursue their dreams.
Website: www.masterycharter.org

New City Public Schools
Year established: 2000
Number of schools, 2008–09 school year: 3
Grades served: K–12
CMO mission: To provide a thoughtful, healthy, intimate environment in which community building is valued over competition. Through a curriculum enriched by the arts, technology and the natural environment, we will teach students to develop into independent critical thinkers who demonstrate expertise in reasoning and problem solving, English and Spanish literacy, creative expression and historical perspective. Toward these goals, the families and the staff of the New City School will work together as partners to understand the needs and interests of the students, to act in the service of justice and to extend learning opportunities into the home and community.
Website: www.thenewcityschool.org

Noble Network of Charter Schools
Year established: 1999
Number of schools, 2008–09 school year: 8
Grades served: 9–12
CMO mission: To prepare Chicago's youth to function successfully in society through commitment to educational excellence, civic responsibility and respect for the community, environment and people from all walks of life. Noble Street's vision and core values are related to this important mission.
Website: www.noblenetwork.org

Partnerships to Uplift Communities
Year established: 1999
Number of schools, 2008–09 school year: 8
Grades served: K–12
CMO mission: To uplift the communities of Northeast Los Angeles and the Northeast San Fernando Valley through the development of high quality charter schools. We will increase the number of college graduates within the communities we serve by five times. After four years with us our students will be proficient. Our students will commit to uplift our communities now and forever.
Website: www.pucschools.org

Perspectives Charter Schools
Year established: 1997
Number of schools, 2008–09 school year: 5
Grades served: 6–12
CMO mission: To create a network of schools with aligned instruction, culture, business, operations and governance overseen and supported by a capable central management team.
Website: www.perspectivescs.org

Propel Schools
Year established: 2003
Number of schools, 2008–09 school year: 5
Grades served: K–12
CMO mission: To catalyze the transformation of public education in southwestern Pennsylvania so that all children have access to high-performing public schools. This mission is pursued by opening and operating high-performance schools of choice in educationally underserved communities. We do this with the belief that establishing a competitive dynamic in public education is the best way to provide the region's public schools with sustained incentives for the hard work of continuous self improvement.
Website: www.propelschools.org

Uncommon Schools
Year established: 2005
Number of schools, 2008–09 school year: 11
Grades served: K–12
CMO mission: Uncommon Schools starts and manages outstanding urban charter public schools that close the achievement gap and prepare low-income students to graduate from college. We also aspire to demonstrate the viability of a scaled and systematic solution to urban education reform.
Website: www.uncommonschools.org

YES Prep Public Schools
Year established: 1998
Number of schools, 2008–09 school year: 5
Grades served: 6–12
CMO mission: To increase the number of low-income Houstonians who graduate from a four-year college prepared to compete in the global marketplace and committed to improving disadvantaged communities.
Website: www.yesprep.org

Endnotes

1 See the appendix for more information on each CMO included in the study.

2 For more information on High Tech High's teacher credentialing program, see: http://www.charterresource.org/files/An_In-House_Approach_to_Teacher_Training_HighTechHigh.pdf

3 The Center on Education Governance produced a guide for charter schools on how to form successful partnerships. The publication, released in 2005, is titled "Charter School Partnerships . . . Eight key lessons for success" and is available from CEG's website. See: http://www.usc.edu/dept/education/cegov/focus/charter_schools/publications.html

4 For more information on Green Dot's partnership with UFT, as well as the union they created to bargain for their schools' teachers, visit: http://www.charterresource.org/files/Empowering_Teachers_through_a_CMO-Created_Union.pdf

5 One alternative for assessing parent and student satisfaction within your CMO is the Center on Educational Governance's stakeholder satisfaction surveys. More information can be accessed at the following link: http://www.usc.edu/dept/education/cegov/products/stakeholder_sat.html

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