

Nonprofit Geographic Expansion: Branches, Affiliates, or Both?

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Abstract

Nonprofit organizations often move into new territories by establishing local branches, affiliates, or a combination of branches and affiliates, resulting in a plural form. This paper presents data from a survey of U.S. nonprofit leaders who have experience with or are considering expanding their organizations via branches, affiliates, or both. By capturing the perspectives of front-line nonprofit managers, this research aims to provide greater insight into the process of geographic expansion and to explore some of the key similarities and differences across these three organizational structures.

The most substantial finding from this research is that regardless of organizational structure, some of the anticipated benefits of scale failed to materialize, while other, unanticipated benefits seemed to dominate across all expansion strategies. Economies of scale were often less than anticipated, and tapping into new funding sources was a significant benefit primarily for affiliates. In contrast, the benefits from both brand and organizational learning consistently exceeded expectations across all strategies. Based on our investigations, we offer new hypotheses for exploring the strategic preferences, motivations, challenges, and benefits of nonprofit expansion via a range of organizational structures.