

Introduction to Nonprofit Partnerships



Who We Are

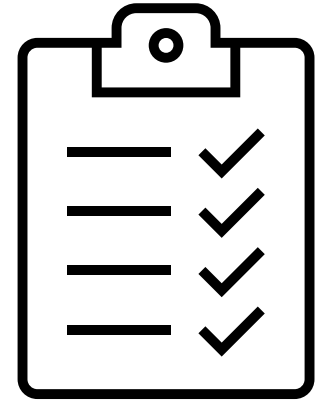


Onuka Ibe
Senior Manager

La Piana Consulting helps the social sector navigate change.

Today's Agenda

- When Should you Consider a Strategic Partnership?
- Types of Strategic Partnerships
- Partnership Case Studies
- Phases of Partnership Development
- Questions
- Additional Resources



Definitions

Strategy – a coordinated set of activities that build upon or create a differentiating strength to advance an organization's mission

Strategic Partnerships – collaborations that enhance the capacity of the participating organizations for mutual strategic benefit

Strategic Partnership Trends

- Strategic partnerships as a competitive strategy, rather than solution to crisis
- Increased funder interest in multi-organization partnerships (e.g. three or more organizations integrating)
- Increased interest among national organizations
- Increased interest in consolidating administrative functions
- In 2020, La Piana surveyed hundreds of organizations and found that 23% were considering strategic partnerships (up from about 3% pre-pandemic)

You might pursue a partnership strategy if you:

- Are seeking creative ways to strengthen or expand your impact
- Want to build your capacity in areas that would benefit your mission or operations
- Desire to broaden the perspectives, backgrounds, and experience of staff and board members
- Seek ways to enhance sustainability in an evolving environment (economic, political, social, etc.)
- Have one or more programs that can survive but the organization might not
- Have in mind a potential partner that is either stronger or complementary (you are both stronger together)
- Are experiencing a leadership transition

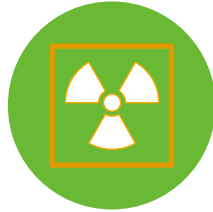
Success Factors



Potential Roadblocks



**Autonomy
Concerns**



**Lack of
Trust**



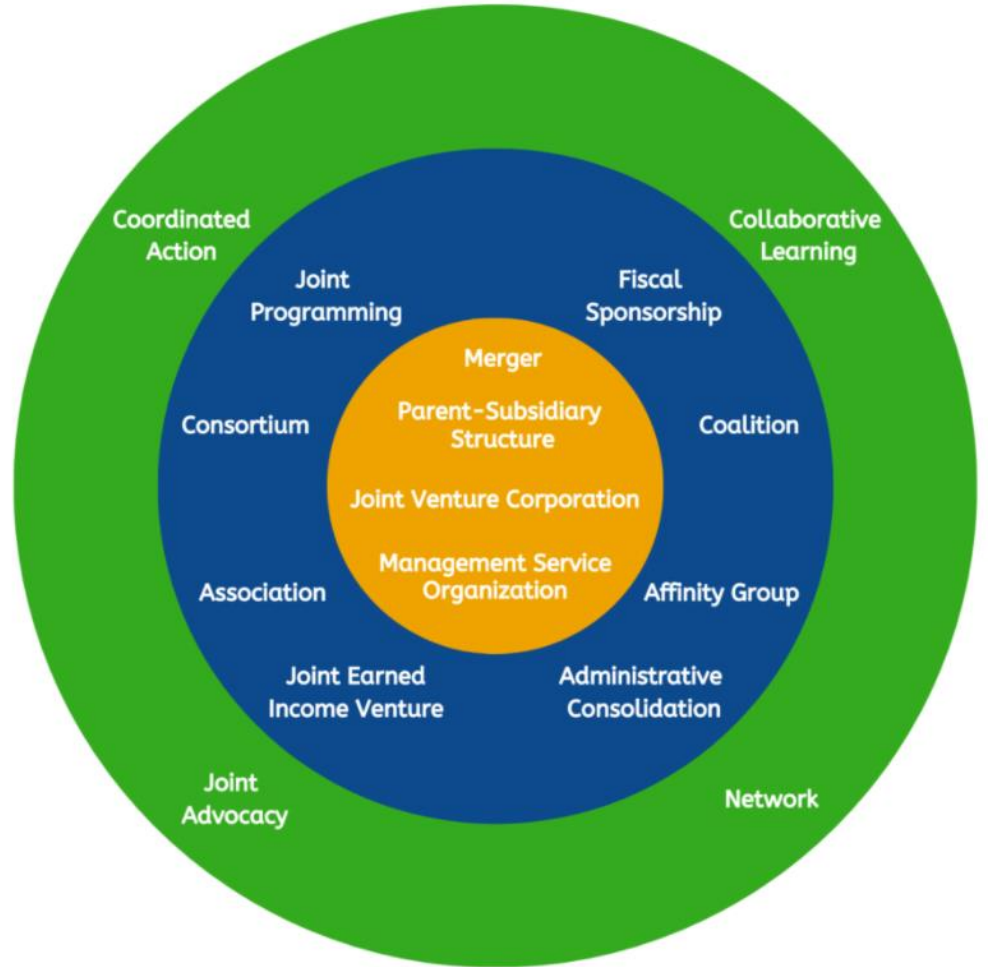
Self-Interest



**Organizational
Culture**

Collaborative Map

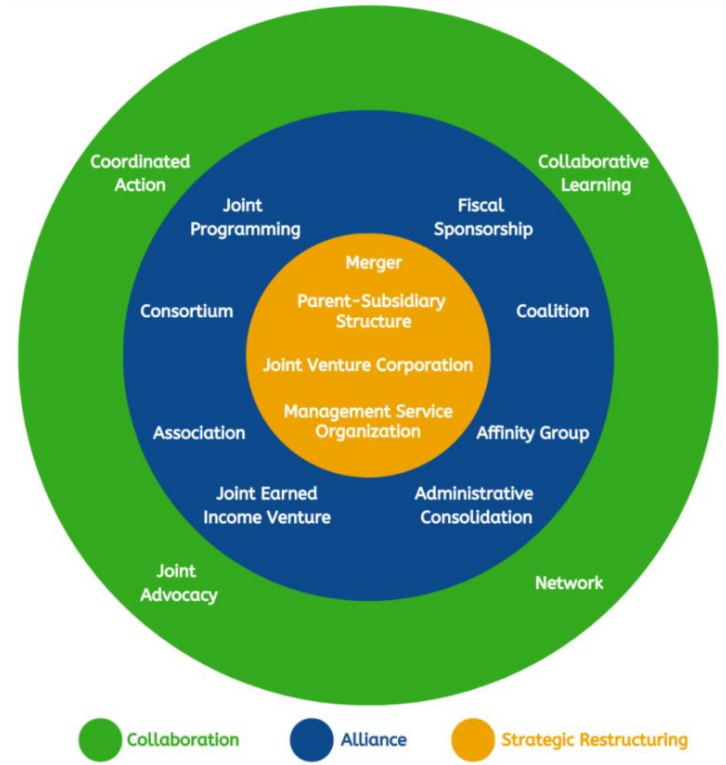
- **Collaboration**
- **Alliance**
- **Strategic Restructuring**



Collaboration

- Pool expertise or resources
- Amplify a policy message
- Create and share collective wisdom
- Tackle social issues requiring sustained, coordinated action

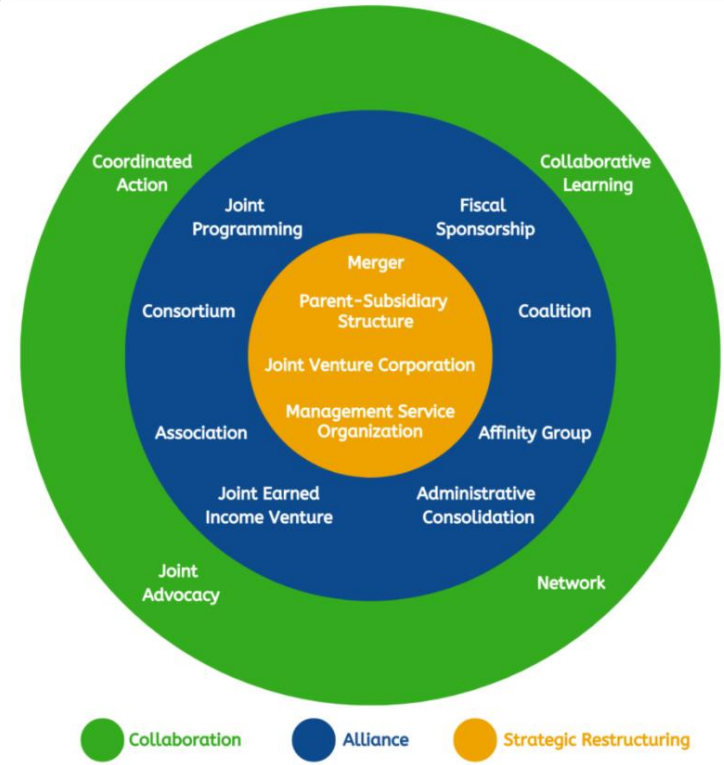
Collaborations offer flexibility – they can be temporary and do not require a change in organizational structure



Alliance

- Develop a more robust level of organizational efficiency
- Provide services or programs
- Share benefits and risks of a revenue-generating social venture
- Network and share learning
- Leverage advocacy, purchasing power, standards setting and enforcement, or other activities

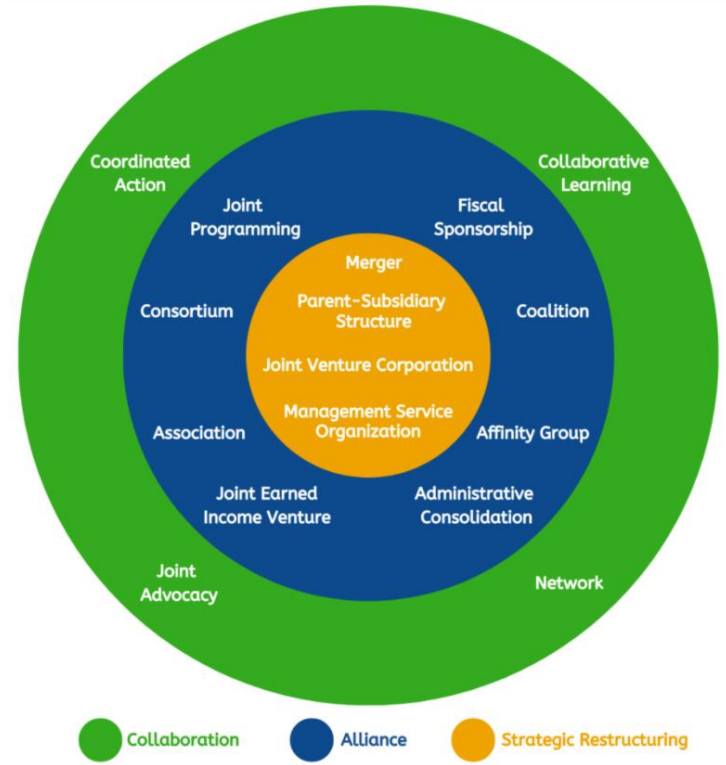
Alliances are more formal and longer term, but offer significant organizational autonomy



Strategic Restructuring

- Combine specific skills and expertise
- Consolidate administrative and program areas
- Enhance service offerings, expand reach, and/or eliminate redundant administrative or programmatic activities

Strategic restructuring can provide the benefits of highly integrated and permanent partnership



Case Study: Joint Programming

- New America sought to advocate that lawmakers make financial aid letters easier for students to understand
- Funder suggested collaboration with uAspire, which had a trove of data on financial aid letters
- The organizations jointly developed and presented research and aided in drafting a bill for Congress to revamp financial aid offer letters

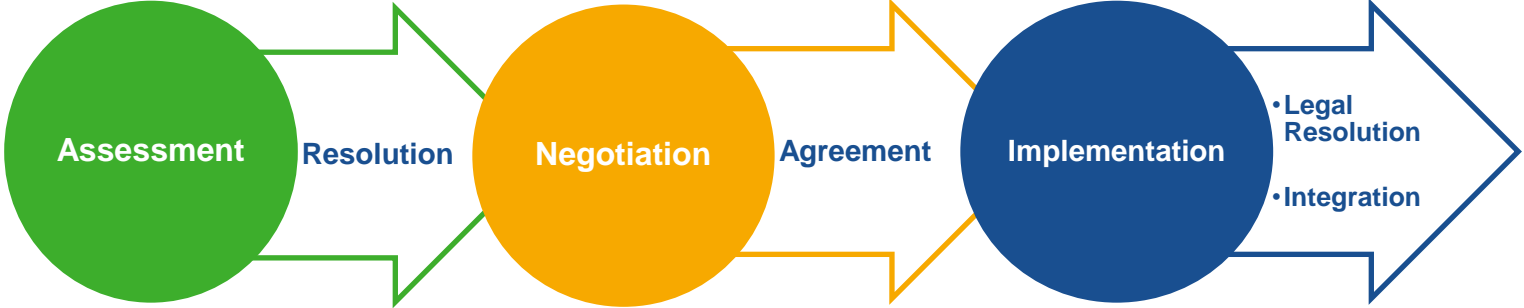
Case Study: Management Services Organization

- 5 Minnesota community centers struggled with the capacity of their back-office functions (IT, HR, finance, data and evaluation, etc.)
- Formed an MSO called MACC CommonWealth with a board representing each organization; the MSO would handle the back-office functions so each org could focus on program delivery
- MACC CommonWealth grew to provide fee-based back-office services to dozens of additional organizations across the country

Case Studies: Mergers and Brand Identity

- **Men's Shelter of Charlotte and Urban Ministry Center:** Renamed the combined entity to Roof Above
- **Diversified Community Services and United Communities of Southeast Philadelphia:** New corporate name (Greater Philadelphia Community Alliance) but retained community facility names
- **Rainforest Alliance and UTZ:** Kept existing certifications and set out to jointly develop an innovative new standard
- **Toledo Symphony and Toledo Ballet:** Formed Alliance of Performing Arts with distinct symphony and ballet sibling programs
- **Incorporated Research Institutions for Seismology and UNAVCO:** Solicited member input and renamed as EarthScope.

Strategic Partnership Phases



Assessing Readiness

1

How might a strategic partnership advance your strategic goals?

2

What characteristics are most important in a potential partner?

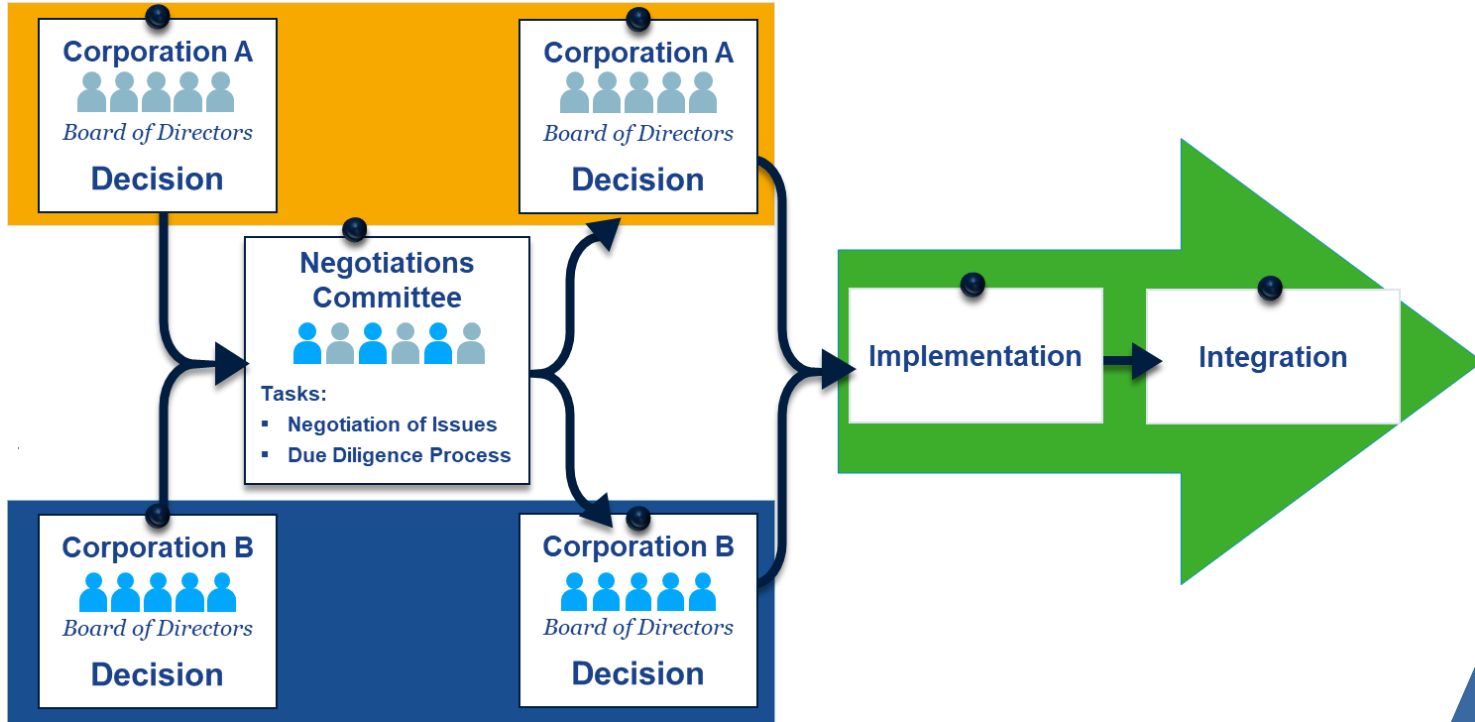
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Is your organization ready?

Assessing – Criteria for Potential Partners

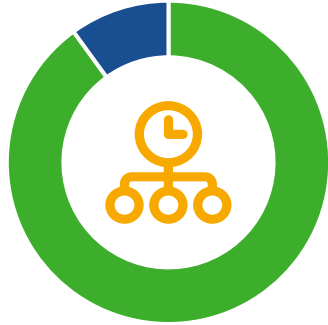
- **Mission and Vision Compatibility:** Do your organizations have similar or complementary goals?
- **Alignment of Organizational Culture:** Do your organizations share common values, customs, beliefs, and practices?
- **Past Collaborations:** Have your organizations worked well together before?
- **Mutual Trust:** Do you have a high enough level of trust in the organization on which to build a relationship?
- **Strengths and Weaknesses:** Does the organization's strengths complement your organization's needs, and vice versa?
- **Usable Skills and Assets:** Can what they bring to the table be used to advance your mission?
- **Financial Condition:** Does the organization's financial status raise any concerns?

Negotiating



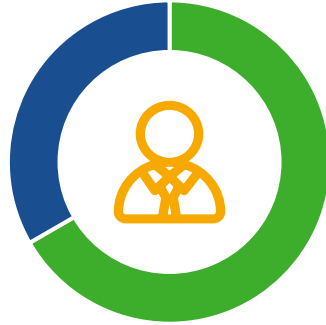
Issues to resolve typically include governance, financial model, leadership and staffing, capital, programs, communications, etc.

Implementing



Planning

- Develop operational and program plans
- Strategic plans
- Business plan
- Change management and culture



Legal Resolution

- File with state and / or formally approve
- Approve plan
- Begin operating as partners



Integration

- Systems
- Administrative
- Programmatic
- People and culture

Sustaining Partnerships

- **Formalize.** Make it official by documenting mutual commitments.
- **Lead.** Plan for leadership turnover.
- **Measure.** Make data work for you and track progress toward key outcomes.
- **Broaden.** Cultivate broader involvement beyond the core group.
- **Learn.** Continually learn from and adjust what you are doing.
- **Deepen.** Build on the experience and your understanding of the issues you are addressing.

Merger and Alliance Toolkit

Flexible support for the journey toward a strategic partnership

Practical guidance and concrete methods for:

- Assessing collaborative opportunities
- Negotiating agreements
- Implementing partnerships
- Integrating systems and structures to pursue a common mission

<https://www.lapiana.org/resources/toolkit>

Sustained Collaboration Network

- Arizona Together for Impact Fund
- Dallas Better Together Fund
- Los Angeles Nonprofit Sustainability Initiative
- New York Merger and Collaboration Fund
- Greater Philadelphia Nonprofit Repositioning Fund
- Pittsburgh Forbes Funds

www.sustainedcollab.org

Consultation Support

Meet with a La Piana consultant to discuss your current situation and get advice on what steps to take next

Topic areas may include

- Assessing readiness and partner compatibility
- Evaluating strategic alignment, benefits, and risks of a strategic partnership
- Developing negotiating or implementation plans
- Addressing roadblocks to successful partnership

Contact information on final slide

Closing Thoughts

- Partnership is a strategic tool, not an end in itself
- There is more than one partnership option to meet your needs; know the costs and benefits of your chosen option
- Partnerships take time, authentic stakeholder engagement, and capacity
- A strong process will provide confidence and structure
- We are in a people business so don't discount the people affected by a restructuring (some will leave)
- Clarity of purpose is important!

Thank you!

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