Nonprofit Collaborations:
What CEOs & Funders Say Works—and Doesn't (Hint: They Don't Always Agree)

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Today’s Panelists

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Bridgespan’s latest research on nonprofit collaboration

• There are a lot of calls for more collaboration amongst nonprofits, but nobody really knows:
  - How much collaboration is already happening? In what forms?
  - Is collaboration successful?
  - Is there desire to do more collaboration?
  - Are there barriers to more collaboration?
  - What can be done to better support collaboration?

• To begin to answer these questions, Bridgespan did the following:
  - Surveyed nonprofits (n=237) and foundations (n=101); follow up interviews
  - Analyzed the Foundation Center’s Nonprofit Collaboration Database (n=664)

• Today, we want to share a few highlights of the research
  - Please see the forthcoming report for the full results and recommendations
We studied four types of formal collaboration

- **Associations** (Includes coalitions, collaboratives)
  - Working together over an extended period of time to accomplish shared goals
  - Formal agreement
  - Governance remains separate

- **Joint Programs**
  - Working with another organization to deliver a program over an extended period of time
  - Formal agreement
  - Governance remains separate

- **Shared Support Functions**
  - Sharing support functions (such as accounting, HR & IT)
  - One organization contracts with another or two or more organizations jointly hire a third party
  - Formal agreement
  - Governance remains separate

- **Mergers** (Includes affiliate and subsidiary structures)
  - Legally linking the governance of two organizations
    - Integrates into one entity, or
    - Establishes an affiliate or subsidiary, or
    - Creates a new entity
  - Governance linked

Note: Spectrum builds on the work of La Piana Consulting, The Lodestar Foundation and the Foundation Center
Q: How much collaboration is already happening?
A: Lots, particularly joint programs

Joint programs were by far the most prevalent type of collaboration.

91% of nonprofits have engaged in at least one form of collaboration in the last 3 years and 54% engaged in 2 or more forms of collaboration in the last 3 years.

Survey question: “How many times did you undertake each type of collaboration in the last three years?”
Note: Data reflects a survey of nonprofit CEOs with n=237.
Source: CEO survey data
Q: Is collaboration successful?
A: Yes, all types (but one also has highest reported failure)

Survey question: “To what extent did your collaboration(s) achieve their goals?” Does not include collaborations reporting “too soon to tell.”

Note: Data reflects a survey of nonprofit CEOs; n=237
Source: CEO survey data
Q: Is there desire to do more collaboration?
A: Yes, both nonprofits and foundations want more

Survey question: for CEOs “Do you want to pursue additional collaborations in the future?” (for each type of collaboration) For foundations “Do you want to see your grantees engaging more in formal collaborations with other nonprofits? Check all that apply.”

Note: Data reflects a survey of foundations with n=89, n=237 for nonprofits for these questions.

Source: CEO survey data; Foundation survey data
Q: Are there barriers to more collaboration?
A: Yes, identifying partners in particular

NONPROFIT CEOS’ RANKING OF THE BARRIERS

1. Identifying potential partners
2. Defining partner relationships and roles
3. Cultural integration
4. Costs of collaboration
5. Concerns about risk
6. Communications and branding
7. Defining and measuring success
8. Integration of programs and services
9. Integration of operations

FOUNDATIONS’ RANKING OF NONPROFITS’ BARRIERS

1. Defining partner relationships and roles
2. Cultural integration
3. Concerns about risk
4. Costs of collaboration
5. Defining and measuring success
6. Integration of programs and services
7. Communications and branding
8. Integration of operations
9. Identifying potential partners
Nonprofits are not receiving much support from foundations for collaboration

Survey question: “Did your foundation funders play a role in your collaboration(s)? Check all that apply.”
Note: “Other” category included support that funders provided to publicize good examples of mergers. Data reflects a survey of nonprofit CEOs with n=237.
Source: CEO survey data
Those foundations who do support collaboration say that nonprofits aren’t asking for help

Survey questions: “What if anything has prevented you from funding formal collaboration among grantees?”

Note: Data reflects a survey of foundations with n=84 for this question. Sample is from Grantmakers for Effective Organizations, as such it is possible that support for capacity building and collaboration is higher than the broader field.

Source: Foundation survey data
Q: Want to see more of the findings?
A: Stay tuned

The full report will be released next week on Bridgespan.org

To receive the report and hear about future research, sign up for Bridgespan’s monthly newsletter at

What is distinct about collaboration grants?

- **Unpredictable in frequency** and can require fast-response times for smaller grants

- **Widely varying in amount** to get the job done

- **Individually risky** in that explorations may not go forward (or go forward as planned)

- **Sensitive** in terms of confidentiality, due diligence and the need to “check” funder power

- **Unsexy** in that:
  1. They support things like consulting, severance, lease breaking, IT integration
  2. No single collaboration “changes the world”
When will my job as a collaborationist be done?

- Foundations all fund capacity building of which collaboration is an explicit and important part
- The application for tax-exempt status requires the applicant to survey the landscape of existing, similar organizations before forming a new entity
- Laws are changes so that nonprofits are as easy to merge (or shut-down) as they are to start
- Organizations give awards and fellowships for “social *intrapreneurs*” – working to do smart things within or among existing organizations – as often as “social entrepreneurs” who start new ones
- Boards consider it best practice to have a “Collaboration Committee”
Why the merger?
How we tested the waters

• Joint program in the Balkans
• Shared support functions on major grant
• Merger due diligence
Lessons learned

• The values of the two organizations need to be complimentary

• There needs to be strong donor support in place

• Plan and organize the merger below the radar and coordinate a bomb proof implementation plan

• Pain is inevitable
Why the merger?
How we made the merger happen

- Recognize existing internal capacity and opportunities for professional development
- Outreach to funders, elected officials, government agencies to ensure their support
- Relationship building with community members and local institutions
- Expansion of programming in two under resourced communities
Lessons learned

• Due diligence
• Need to invest in immediate supervision and training to embrace Good Shepherd Services culture
• Importance of a transition team and culture carriers
Audience Questions

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