The Bridgespan Group

THE LODESTAR FOUNDATION



Making Sense of Nonprofit Collaborations

Associations, joint programs, shared support functions, and mergers are all means to grow impact, be it through advocacy, lowering costs, or increasing scope and scale of programs. But little is known about how frequently these collaborations take place, nor how successful they are. A survey of both funders and nonprofits charts the landscape.

By Alex Neuhoff, Katie Smith Milway, Reilly Kiernan, and Josh Grehan

"If you want to go fast, go alone. If you want to go far, go together."—African proverb

The notion that collaboration strengthens a pursuit isn't new, but it's certainly become hot in the nonprofit world. Witness the growing popularity of approaches like Collective Impact and calls to social innovators to reduce duplication of effort and increase coordination. In a Bridgespan X SSIR series last spring on "Transformative Scale," collaboration was a frequently cited path to scale impact. And while we found in a recent study that the rate of nonprofit mergers was flat from 2007 to 2012, sector intermediaries spoke of far more activity in every other form of collaboration.¹

Still, collaboration is an ill-defined term, and too little is known about exactly how much is taking place, in what forms, and whether or not some forms are more successful than others. In an effort to make sense of the phenomenon, even as sector leaders call for more of it, The Bridgespan Group, in collaboration with The Lodestar Foundation, conducted research over the course of 2014 on participation in and success with four common forms of formal collaborationassociations, joint programs, shared support functions, and mergers-and the barriers that block results. (See sidebar: The Research.) Each form of collaboration has a unique purpose and potential path to scale impact, be it advocacy through associations, achieving greater reach through joint programs, lowering costs via shared support functions, or strengthening a field through a merger. And, unlike informal collaboration, all these forms are characterized by multiyear commitments, backed by written agreements, which can range from charters to memorandums of understanding to legal contracts. (See chart below.)

We studied four types of formal collaboration; these can be arrayed on a spectrum based on level of integration Associations **Shared Support** Joint Merger (Includes coalitions Functions Programs

Contracts for

administrative

services or hiring

provide those services

a third party to

- Shares administrative Legally links the functions (such as governance of two accounting, HR & IT) organizations Integrates into one
 - entity, or
 - Establishes an affiliate or subsidiary. or

MORE

Creates a new entity

Level of integration

Works with another

a program over an

Integrates and agrees

extended period

upon contract

Governs separately

of time

organization to deliver

• Works together over

time to accomplish

shared goals

agreement

I ESS

Joins by formal

Governs separately

• Works separately

an extended period of

1 Milway, Katie Smith, Maria Orozco, and Cristina Botero, "Why Nonprofit Mergers Continue to Lag," Stanford Social Innovation Review, Spring 2014, http://www.ssireview.org/articles/entry/why_ nonprofit_mergers_continue_to_lag.

What we learned studying this collaboration spectrum surprised us:

- We found more collaboration than we expected.
- Collaborations across the board were considered highly successful.
- Both funders and nonprofits wanted more of all types, in particular shared support functions and mergers.

While leaders from both groups saw positive momentum across the spectrum, nonprofits and funders did not see eye-to-eye in three important areas—hampering the ability of collaborations to be as effective as possible. These relate to:

- A lack of funder support for collaboration,
- A difficulty in finding the right partner and negotiating roles, and finally
- The downside of well-intentioned funder influence—particularly when it comes to joint programs.

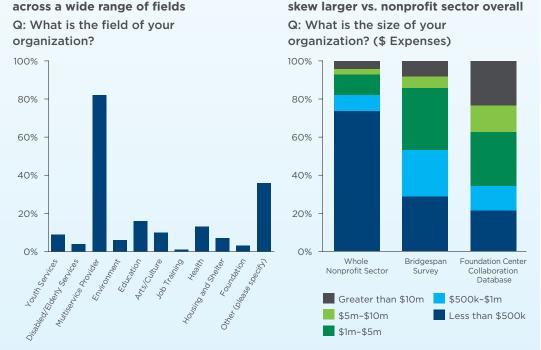
This report explores positive trends in collaboration and barriers preventing funders and grantees from working as effectively as possible to "go far...together," in achieving their goals.

The Research

In the summer of 2014, Bridgespan completed a study, in collaboration with The Lodestar Foundation, to understand the incidence and success of formal collaborations. We divided them into four types: associations, joint programs, shared support functions, and mergers (including subsidiary relationships), building on a taxonomy used by two of the most active funders in the space, The Lodestar Foundation and SeaChange Capital Partners, and aligned with two of the most active intermediaries, The Foundation Center and La Piana Consulting.² We surveyed 237 nonprofit CEOs and 101 foundation officers on their experiences and opinions across this spectrum. We distributed the CEO survey through our nonprofit CEO LinkedIn group of more than 9,000; half of respondents had annual revenues of \$1 million or more. And we distributed the funder survey through Grantmakers for Effective Organization's listserv of close to 4,000.

A joint Bridgespan-Lodestar-SeaChange team reviewed the findings, and Bridgespan calibrated them versus a database of profiles housed at The Foundation Center of 664 collaborations that had been submitted for consideration for the Collaboration Prize. Bridgespan then tested quantitative results for meaning via a score of interviews with respondents.

2 La Piana Consulting plans to issue a refinement to its taxonomy in 2015.



Respondent organizations vary in size,

Nonprofit CEO survey included 237 respondents

Survey respondents work at organizations

Note: In selecting field of organization, CEOs were prompted to check all that apply. Organizations that selected multiple fields have been labeled as "Multiservice Provider." Source: Survey of nonprofit CEOs (n=237); Foundation Center Collaboration Database; NCCS core file database's NCCS 2012 Nonprofit Almanac.

Both the nonprofit and foundation leaders we surveyed had a lot of experience with collaboration, and it's reasonable to suppose some bias: those who took the time to respond to a survey on collaboration and certainly those who sought a collaboration prize, may be especially experienced with and/or interested in such activities.

Positive Momentum Across the Collaboration Spectrum

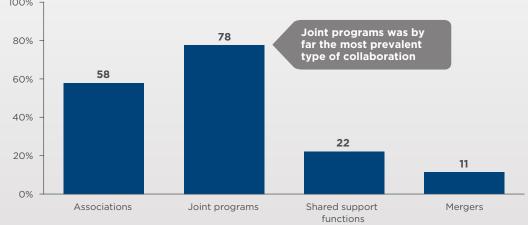
Across the spectrum, three trends consistent among CEOs and funders showed positive momentum: high reported rates of collaboration of every type, high perceived success of these collaborations, and the desire for even more, particularly the more integrated forms such as shared support functions and mergers.

High Rates of Collaboration

The overwhelming majority of nonprofit and foundation CEOs responding to our survey had experience with one or more forms of collaboration, with 91 percent of CEOs already engaged in one of the four forms we researched, and 54 percent engaged in two or more, all over the past three years. Ninety-three percent of CEOs said they expected to collaborate even more in 2015. Meanwhile, 84 percent of funders said they supported at least one collaboration.

Nonprofits reported the most activity in the less integrated forms of collaboration: associations and joint programs. Both lend themselves to multiple engagements in a three-year period versus more integrated collaborations, like shared support functions and mergers, which have longer cycles. Overwhelmingly, joint programs emerged the most prevalent: a full 78 percent of nonprofits and 82 percent of foundations cited involvement, a pattern echoed in the Collaboration Prize database. (See sidebar: Navigating the Collaboration Spectrum.)

Across the spectrum, nonprofits are currently collaborating at high rates



Percent of CEOs who engaged in each form of collaboration in the past three years 100% \neg

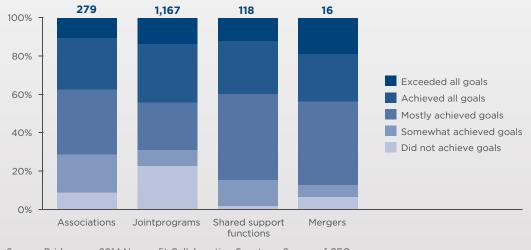
Source: Bridgespan 2014 Nonprofit Collaboration Spectrum Survey of CEOs Survey question: "How many times did you undertake each type of collaboration in the last three years?" Anyone reporting at least one collaboration is included in this chart.

Our interviews found that most nonprofits consider the less integrated forms of collaboration— associations and joint programs—already their way of life, and they believe the more integrated forms offer the greatest new opportunity for increasing impact through both streamlining costs and freeing up cash for programs, acquiring new capabilities, and expanding the reach of services. Said the executive director of a New York youth-mentoring provider: "We can't operate without collaborating."

High Perceived Success

Given the challenges associated with collaborations, we had expected to hear that many fell short. So, the most surprising finding in our study was the overwhelming success that CEOs ascribed to the collaborations they participated in, and foundation officers ascribed to those they funded: 70 percent or better in both cases. With rates this high, one might suspect leader's optimism, a common pitfall of corporate CEOs, whose perceptions of deal success typically outstrip actual increase in shareholder value. On the other hand, SeaChange Capital Partners, which reviewed our data, found a similar success rate among 90-plus deals it had funded. "All the research really says," observed John MacIntosh, a partner with SeaChange, "is that for-profit acquirers pay too much. But in financial terms, nonprofits pay nothing to collaborate, other than incurring...transactions costs, which are generally a small fraction of potential benefits." (See sidebar: Counting Costs and Benefits.) Of course funders, too, have skin in the game. Said a California-based grantmaker: "Filling out the survey, I realized that I wanted to report on the collaboration that was more successful." Nonetheless, even discounting for bias, the success of these types of collaborations appears remarkable.

Nonprofit CEOs believe that all forms of collaboration are successful most of the time



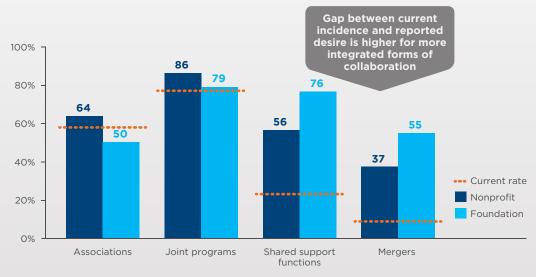
Percent of collaborations that achieved their goals

Source: Bridgespan 2014 Nonprofit Collaboration Spectrum Survey of CEOs Survey question: "To what extent did your collaboration(s) achieve its goal?" Excludes responses of "too soon to tell."

Desire for More

Meanwhile, members of both groups expressed a great deal of appetite for participating in or supporting future collaborations. Given sector calls for more collaboration, this didn't astonish us. But what did surprise us was that both sets of leaders reported high interest in the more integrated forms of collaboration: shared support functions and mergers. Indeed, 55 percent of funders want to see more mergers and 76 percent want to see more shared support functions. This is particularly striking given the relatively low incidence of these forms of collaboration today.

The executive director of a large, faith-based, multiservice program told us: "I do want to collaborate more; we are always looking...because we need to do more and there are fewer dollars to do it." Said a regional funder: "We support efforts across the spectrum of collaborations...We want to optimize our resources and [grantees'] missions."



For both nonprofits and foundations, appetite outstrips current incidence

Percent of respondents expressing a desire for future collaboration vs. current rate

Source: Bridgespan 2014 Nonprofit Collaboration Spectrum Surveys of CEOs and Grantmakers Survey questions: For nonprofit 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." Current rate is percent of CEOs who engaged in each form of collaboration in the past three years.

Navigating the Collaboration Spectrum

Many of the organizations we interviewed told stories of moving across the collaboration spectrum, getting to know another organization through a joint program or shared support function, then coming to believe that merging made sense.

Such was the case for Mercy Corps' union with Scottish European Aid, which became Mercy Corps' European arm in 1996. Since 1992 the two organizations had gotten to know each other working side by side in the Balkans helping victims of conflict. Scottish European AID was a small, national start-up, and Mercy Corps a US-based, global NGO. They had joint programs and even shared office space before realizing that a merger would give the smaller Scottish organization a global backbone and the much larger Mercy Corps a European base of fundraising and operations. The combined entity today administers a budget of more than \$400 million with an integrated staff of 4,500.

In the case of World Vision International (WVI), a \$2.6 billion global development organization, joint programs have led to hiring collaborators and growing related programs. In 2005, WVI licensed from the Christian AIDS Bureau of South Africa a program called Channels of Hope (COH),

which promoted awareness and compassionate treatment of AIDS patients in a country slow to recognize the epidemic. Eventually, the COH program team fused into World Vision, and the original COH founders have been able to scale the licensed program across many of WVI's more than 90 countries of operation, where HIV/AIDS afflicts disadvantaged populations. They've also created related programs that WVI wholly owns to improve maternalchild health care and gender justice, both of which attack root causes of HIV transmission.

Barriers to Collaboration Done Right

Along with strong, positive momentum across the collaboration spectrum, we found three inconsistencies between funders and nonprofit leaders that are creating barriers to collaboration done right. These relate to struggles to find funder support for collaborations and difficulties in finding the right partners and negotiating roles, as well as good funder intentions gone awry in bringing nonprofits together, particularly for joint programs.

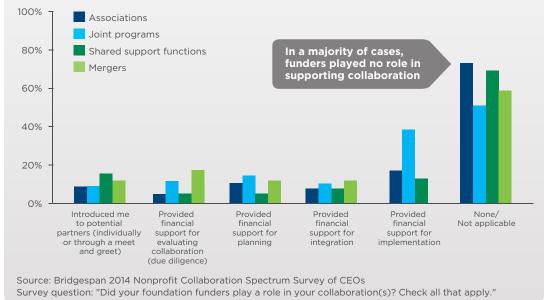
Struggling to Find Support

A striking barrier that surfaced in our data lay in nonprofit leaders' perceptions of low philanthropic support across the collaboration spectrum.

Across all four forms of collaboration we surveyed, fewer than 20 percent of nonprofit leaders said they received support from their funders during the process, be it introducing them to partners, due diligence, planning, integration, or full implementation. More than 50 percent of nonprofit leaders reported no support whatsoever for any form of collaboration, a pattern consistent with reports from the 664 applicants for the Collaboration Prize. This aligns with the results of a recent survey from Grantmakers for Effective Organizations (GEO) that found 53 percent of funders never or rarely funded collaborations and only 2 percent made it a consistent practice. Leaders pointed to especially low funding for sharing support functions, purposed to lower operating costs and free up funds to expand programs. The one exception was support for implementation of joint programs, which our interviews found to be at times a forced march initiated by funders. Said the CEO of a large, urban youth association: "A few years ago there was a constant refrain of foundations saying, 'There are too many nonprofits, they need to merge.' But I did not know of any foundations that helped with that. Mergers in the nonprofit and for-profit world take time and money." Added the executive director of a Philadelphia multiservice organization: "There is a trend towards a lack of early-stage investments; few funders are willing to take early risks."

Nonprofits report that foundations currently play a limited role in most collaborations

Percent of nonprofits indicating that funders provided each type of support

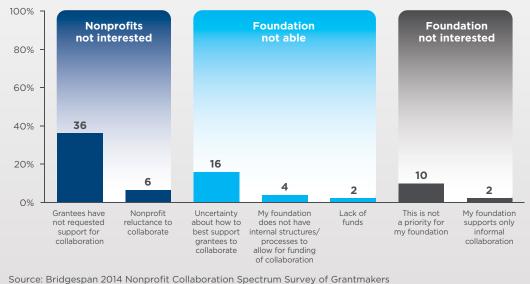


Meanwhile, funders' most frequently cited reason for failing to support collaborations was that their grantees didn't ask. Further, they told us in follow-up interviews that they worried they would inject bias if they initiated the conversation. Said a program officer in Pennsylvania: "We have to be careful. Whenever I speak up at a meeting, I get a proposal about the idea!" But the same funder told us that when grantees came forward with a plan to collaborate, he was eager to support it. For example he recently funded a shared chief financial officer (CFO) across five small nonprofits in the same field, with the CFO spending a day a week at each one. "They had budgets from \$350,000 to \$1 million, all big enough that they needed good financial reporting," said the program officer. "They came up with the concept and we funded the first 18 months to get it going." He added that all of the organizations had some form of earned income, and the CFO has helped each to create a business plan to expand self-funding.

Most of the respondents to our funder survey (all members of GEO, an association of grantmakers committed to capacity building) did support collaboration, but they underscored that they would like to do more—if nonprofits would ask. "How often do grantees write about collaboration in their proposals?" asked a national funder. "People only know what's important if you talk to them about it."

Foundations believe that nonprofits are not requesting support for collaboration as much as they could

Percent of foundations indicating that they face each barrier



Survey question: "What if anything has prevented you from funding formal collaboration among grantees?"

Objectively, the pool of funders deeply committed to advancing collaborations remains small. A mapping exercise undertaken last year by long-time collaboration funders, including Lodestar, SeaChange Capital Partners, Catalyst Funds in Boston and California, and a consortium of 11 foundations called the Nonprofit Sustainability Initiative of Southern California (NSI), plotted funder initiatives for nonprofit restructurings and collaborations. Out of all 50 states, they came up with a total of 18 across 11 states.

Counting Costs and Benefits

A common concern we heard from nonprofits relates to helping their funders understand ongoing costs of collaborations. This was particularly so in mergers, where integrating staff or building a new brand can take years, but the returns endure. In our merger and collaboration research over the past five years, we've interviewed scores of merger leaders, who cited out-of-pocket merger costs ranging from \$100,000 for acquiring and integrating nonprofits with a handful of employees to literally millions for larger, institutional acquisitions that include professional staffs, buildings, and legacy brands.

Linda Johanek is the executive director of Cleveland's Domestic Violence & Child Advocacy Center, the rebranded result of two merged family-welfare organizations that got to know each other exploring a potential shared-service accord. Johanek said that while 17 foundations funded the countywide merger process, "some understood the cost; others did not." "One funder denied our request to help with merger-associated costs," said Johanek. The funder advised that the organization use the money it saved from combining headquarters to fund the transition. "That funder clearly didn't understand there are many associated costs that continue past the signing of a merger—such as branding!" Johanek added.

One regional funder we interviewed was sympathetic to Johanek's view: "You are talking about several hundred thousand dollars to blend staff and systems," he said. "And it takes time for the savings to occur. You won't see it in a year or two."

Good Shepherd Services, an \$80 million multiservice provider in New York and veteran of four mergers, provides a sense of just what these full costs can be, as well as benefits. In 2011, Good Shepherd merged with Groundwork, a \$5 million network of after-school, college preparation, case management, and other support programs. The merger expanded Good Shepherd into the high-need neighborhoods of East New York and Bedford-Stuyvesant.

Groundwork had lost its founding director and experienced other setbacks during the Great Recession, so an immediate goal of both entities was to rebuild Groundwork's culture of success and optimism, while introducing and infusing Good Shepherd's signature practices. All of this took hard-toquantify, yet costly, staff time.

Good Shepherd Assistant Executive Director Kathy Gordon led a merger transition team that met biweekly for a year, addressing all the small and large issues that emerged, including revitalizing staff and rebranding Groundwork's programs. The bulk of the integration process took two years, and costs of due diligence and integration came to approximately \$570,000, even with pro bono legal assistance. What cannot be estimated is the amount of staff time that Gordon and the support teams at Good Shepherd (HR, fiscal, program evaluation, and development) spent on the integration, which was enormous.

The payback on the merger was sizable, too. Groundwork strengthened Good Shepherd's reputation and reach, resulting in an additional \$3 million in government and private support to expand Groundwork's services. And it provided excellent opportunities to further refine and enhance Good Shepherd's models for after-school services. For example, Good Shepherd has incorporated Groundwork's emphasis on socio-emotional, academic, and health-related outcomes in its after-school programs. "As with all of our previous mergers," said Executive Director Sister Paulette LoMonaco, "the acquisition brought new learnings that benefited the entire agency."

(For case write ups of Cleveland's Domestic Violence & Child Advocacy Center, Good Shepherd, and other mergers, see our "Mergers That Make a Difference" Insight Center, curated by The Bridgespan Group, Catalyst Fund for Nonprofits, La Piana Consulting, and The Lodestar Foundation.)

Difficult Matchmaking

A second barrier to collaboration lies in finding the right partners and negotiating respective roles. Here nonprofits and foundations agree only in part. They both include defining relationships and roles as a top challenge. But nonprofits rated finding the right partner as the number one barrier, while foundations rated it last. Still, two-thirds of foundations said they were helping nonprofits find partners: this was the most prevalent way that they supported collaboration, so perhaps they recognized the barrier, but felt they were lowering it.

Said the executive director of a multiservice provider in New York: "There are actually 14 other nonprofits all within a mile...and I know we all write funding proposals to the same foundation...It would be great if the funder brought us all in to talk to us together."

Foundations recognize some, but not all, of nonprofits biggest barriers to more collaboration

NONPROFIT CEOS' **RANKING OF THE BARRIERS**

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

FOUNDATIONS' RANKING

OF NONPROFITS' BARRIERS

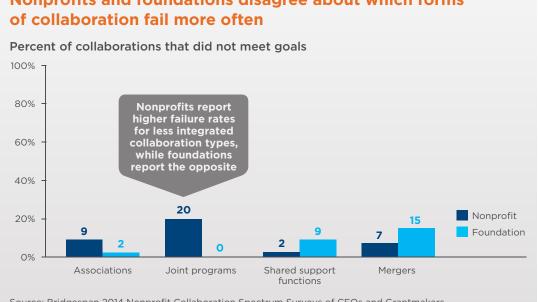
For their part, funders said they need to tread cautiously: "I don't feel comfortable recommending partners," said a Chicago grantmaker. "In part I worry that nonprofits might take my word as dictate, but also I feel that they need to be committed enough to do their own homework."

Clearly some straight talk across the aisle about what really helps and hinders collaborations is in order so that funders can both support the most effective forms and help grantees understand where and how they can connect with promising partners. The Chicago grantmaker, who hesitated to suggest matches, volunteered that she could in good conscience sort her database by zip codes or types of programs and provide a list of prospects. Others saw greater scope for making introductions. "On the funder side there is a huge opportunity to be a broker of connections," said one California-based funder, who advocated bringing in a third-party facilitator. "The megaphone might be worth more than the money."

Unsuccessful Joint Programs

A third barrier to fruitful collaboration may lie in different perceptions of success. Our study surfaced disparity between funder and CEO opinions of which deals worked best. While both sets of respondents reported high success rates across all types of collaboration, funders saw less integrated forms of collaboration associations and joint programs—as most successful. Only one funder reported a failed association and not one said joint programs failed.

Meanwhile, CEOs found the more integrated forms—shared support functions and mergers—to be more successful. They claimed that joint programs had the highest failure rate—20 percent. Our follow-up interviews with CEOs found that they often feel pressured by funders to engage in joint programs. Funders would use requests for proposals to call for grantees to join forces. But often, when the funding dried up, so did the collaboration. On the other hand, shared support functions and mergers took more effort and money to implement, but once established, the organization had a new, ongoing structure for achieving impact.



Nonprofits and foundations disagree about which forms

Source: Bridgespan 2014 Nonprofit Collaboration Spectrum Surveys of CEOs and Grantmakers

One CEO who runs a teen-help line put it this way: "Often a funder will say they want us to work with so-and-so, and we know that it's going to be challenging... but who has the power? We'd like to be renewed for funding...I would like to see funders facilitate a phase one of 'Would this collaboration work?' before making nonprofits work together, but there is no funding to support that initial exploration."

It's different, said respondents, when they are able to choose their partners and agree to roles and goals on their own terms. "We do go for joint grants," said the executive director of a youth-mentoring nonprofit, whose funder introduced the organization to an innovator in its field on the hunch it could help. "We paired up with an organization that does mentoring through action sports to improve its training materials and mentoring. We got the grant and shared it. As our partner strengthened and our grant term ended, we suggested the nonprofit apply on its own for the next one."

Realizing the Promise of Formal Collaborations

Based on our surveys, there are at least three actions that nonprofits and funders can take immediately. The first is the most obvious: fostering a healthy dialogue around nonprofits' and funders' joint desire to see more collaborations. To do this, funders will not only need to probe grantees' interest in collaborations, but, in some cases, expand their definitions of capacity building to include collaborations, and make funding available as and when opportunities arise, which may be off grant cycle. The CEO of one national education nonprofit describes her search for funders to invest in a collaboration to scale curriculum across a national youth network: "There wasn't any pre-committed money," she said. "I would think there are philanthropies lining up to support collaboration. But either we are really bad fundraisers, or we are missing something."

A second call to action requires funders to enable nonprofits to find potential partners. They can help nonprofits meet potential partners and provide the support needed to explore a potential collaboration, short of issuing requests for proposals that demand a preordained result. Funders might provide ideas of potential partners, systematically stage meet-and-greets among nonprofits in the fields they fund, or make it easier for them to form informal associations and start "dating." Some grantmakers, like the one in California, hire a third-party facilitator to host their meet-and-greets to take funder influence out of the room.

NSI, the collaboration of 11 Los Angeles funders, provides modest funding for nonprofits to hire consultants who can help them explore restructuring options ranging from administrative consolidations and joint programs to mergers. The grants typically range from \$20,000 to \$50,000, depending on the complexity of the negotiations. The funders launched the initiative in 2012 with a conference for board chairs and their CEOs to learn the key steps in approaching and executing collaborations. More than 700 attended the 2012 conference, producing 18 partnerships involving 46 organizations, with board resolutions to pursue strategic restructuring for each organization. The outcomes to date include six mergers, five joint programs, and one shared service accord. NSI's recent 2014 conference, which drew 500 nonprofit CEOs and board members, is expected to produce another crop of collaborations.

A final and critical step that nonprofits and their funders can take is to agree on the definition of success. CEOs' high success ratings for the more integrated forms of collaboration, shared support functions and mergers, suggests that nonprofits see value in unions that last, even though integration can be challenging. (See chart: How Do CEOs Define Success?)

How do CEOs define success? Outcomes achieved from each type of collaboration:

Associations (Includes coalitions and collaboratives)	Joint Programs	Shared Support Functions	Merger (Includes affiliate and subsidiary structures)
 Develop stronger/ more effective "voice" (56.0%) Expand reach and/or range of services/ programs (47.7%) Improve the quality of services/programs (39.4%) 	 Expand reach and/or range of services/ programs (78.1%) Serve more and/or different clients/ audiences (64.9%) Improve the quality of services/programs (59.6%) 	 Maximize financial resources (62.5%) Achieve administrative efficiencies (62.5%) Stabilize financials (42.5%) Improve quality of services/programs (42.5%) 	 Expand reach and/or range of services/ programs (72.2%) Achieve administrative efficiencies (61.6%) Serve more and/or different clients/ audiences (55.6%)

Source: Bridgespan 2014 Nonprofit Collaboration Spectrum Survey of CEOs Survey question: "What outcomes did you achieve from this collaboration(s)? Check all that apply." Excludes responses of "too soon to tell."

Take for example the merger of three performing arts organizations in California's Bay Area supported by a private philanthropist. Both the funder and boards of the three entities agreed that part of the definition of success would be achieving one 501(c)3 with one board, one brand, and a balanced budget. Those basics alone held challenges, given the 60 board members across the three entities, and respective donor and volunteer loyalties. But the broader definition of success included converting from a staff comprised of many part-timers and volunteers, to a smaller, professional, full-time staff; expanding audiences and sources of funds; and drawing more urban youth into music—all goals that would require several years to reach and measure. Four years in, after fluctuating budgets and hard, focused work, the basic goals have been met and the staff conversion largely completed. Now it is up to that staff to push for broader audiences, funding sources, and, above all, impact in drawing local, often disadvantaged, young people to lend voice, instrument, and ear.

Reminiscent of the African proverb we cited in our opening, Helen Keller famously said, "Alone we can do little. Together, we can do so much." Nonprofits and funders clearly believe this. When they align their behavior to support fruitful collaboration, they can achieve it. Alex Neuhoff is a partner with The Bridgespan Group in New York and a leader in the firm's Children, Youth & Families practice. Katie Smith Milway is a partner in Boston and coauthor of "Nonprofit Mergers and Acquisitions: More Than a Tool for Tough Times" (Bridgespan.org, 2009) and "Why Nonprofit Mergers Continue to Lag" (Stanford Social Innovation Review, 2014). Reilly Kiernan is a consultant in New York, and Josh Grehan is an associate consultant in Boston.

This study was created by The Bridgespan Group in collaboration with The Lodestar Foundation, a leading national funder of nonprofit collaboration and the originator of the Collaboration Prize. We would like to thank the Foundation Center for access to their nonprofit collaboration database; SeaChange Capital Partners for input on survey findings; and the William and Flora Hewlett Foundation and Grantmakers for Effective Organizations for assistance disseminating our funder survey.

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