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

December 10, 2014

Collaborating to accelerate social impact

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

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We studied four types of formal collaboration

Associations (Includes coalitions, collaboratives)	Joint Programs	Shared Support Functions	Mergers (Includes affiliate and subsidiary structures)

• Working together over an extended period of time to accomplish shared goals
 	
• Formal agreement
 	
• Governance remains separate
	• Working with another organization to deliver a program over an extended period of time
	
	• Formal agreement
	
	• Governance remains separate
		• 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
			• Legally linking the governance of two organizations
			  – Integrates into one entity, or
			  – Establishes an affiliate or subsidiary, or
			  – Creates a new entity
			
			• Governance linked

Less ◄——————— Level of integration ———————► More

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Q: How much collaboration is already happening?
A: Lots, particularly joint programs

Percent of CEOs who engaged in each form of
collaboration in the past three years
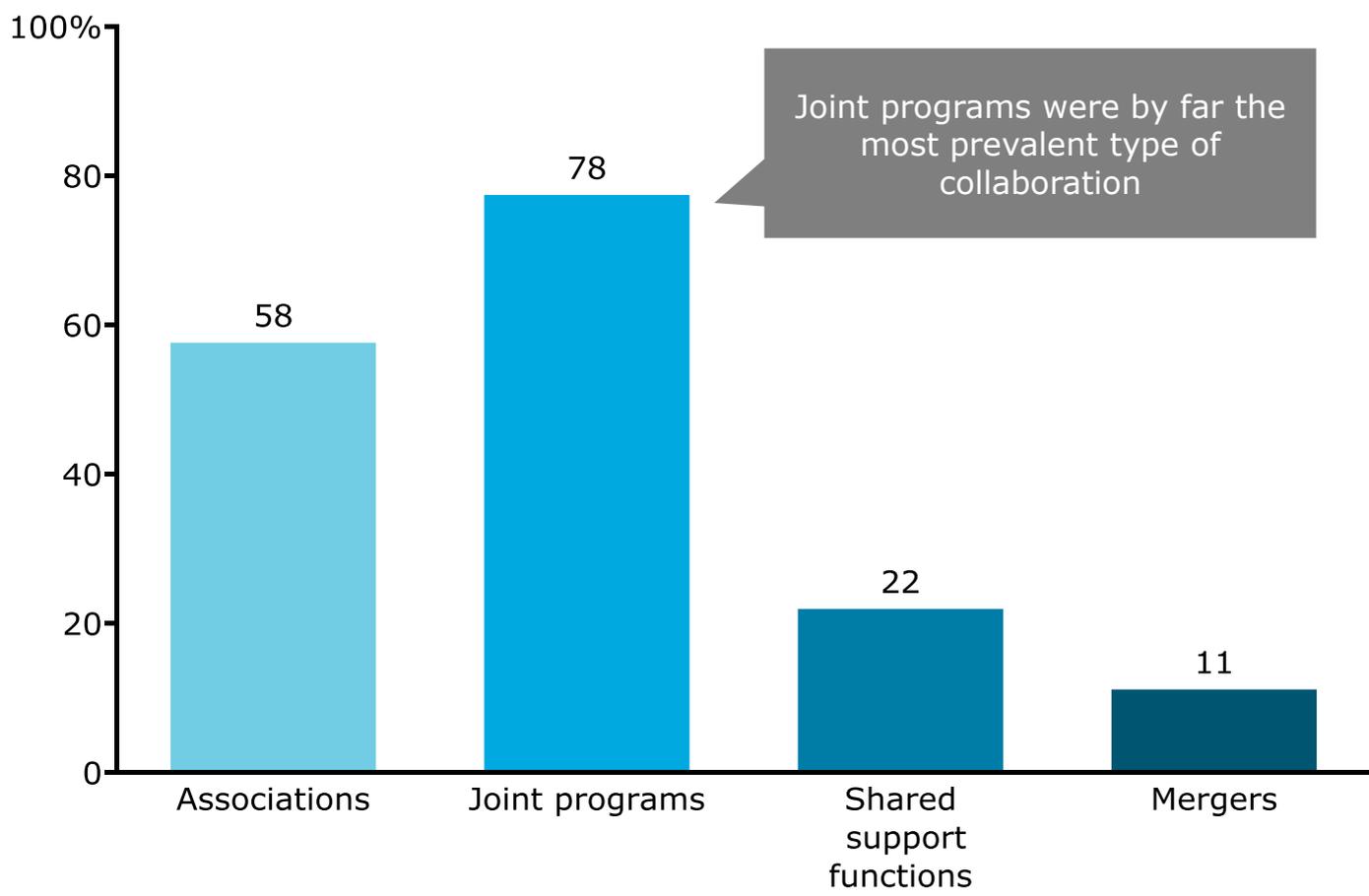
Joint programs were by far the
most prevalent type of
collaboration

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

Associations	Joint programs	Shared support functions	Mergers
58	78	22	11

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

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Q: Is collaboration successful?
A: Yes, all types (but one also has highest reported failure)

Percent of collaborations that achieved their goals
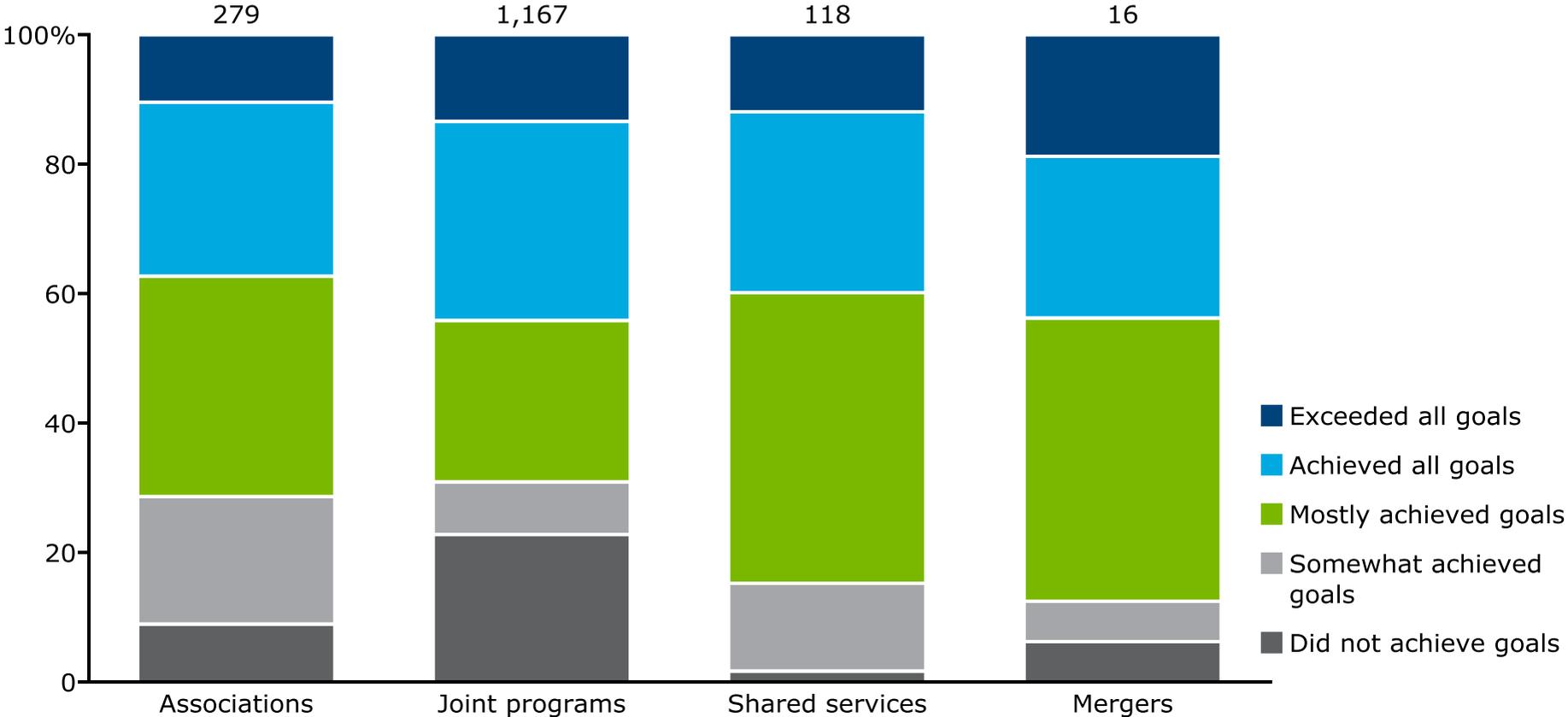
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Q: Is there desire to do more collaboration?
A: Yes, both nonprofits and foundations want more

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

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Q: Are there barriers to more collaboration?
A: Yes, identifying partners in particular

NONPROFIT CEOS' RANKING OF THE BARRIERS	FOUNDATIONS' RANKING OF NONPROFITS' 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

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Nonprofits are not receiving much support from foundations for collaboration

Percent of nonprofits indicating that funders provided each type of support
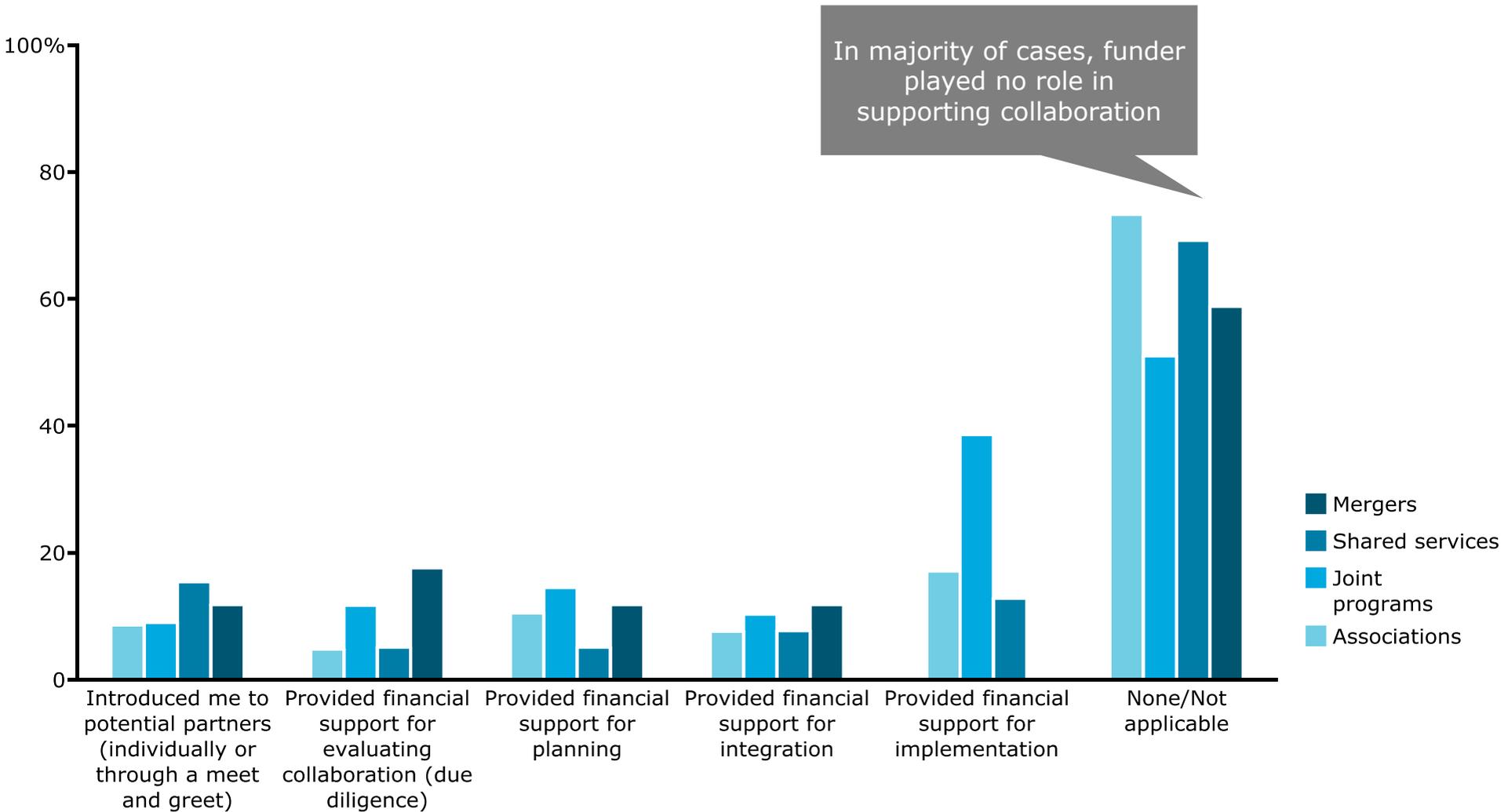
In majority of cases, funder played no role in supporting collaboration

Legend:
- Mergers
- Shared services
- Joint programs
- Associations

Categories (x-axis):
- Introduced me to potential partners (individually or through a meet and greet)
- Provided financial support for evaluating collaboration (due diligence)
- Provided financial support for planning
- Provided financial support for integration
- Provided financial support for implementation
- None/Not applicable

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

Percent of foundations indicating that they face each barrier
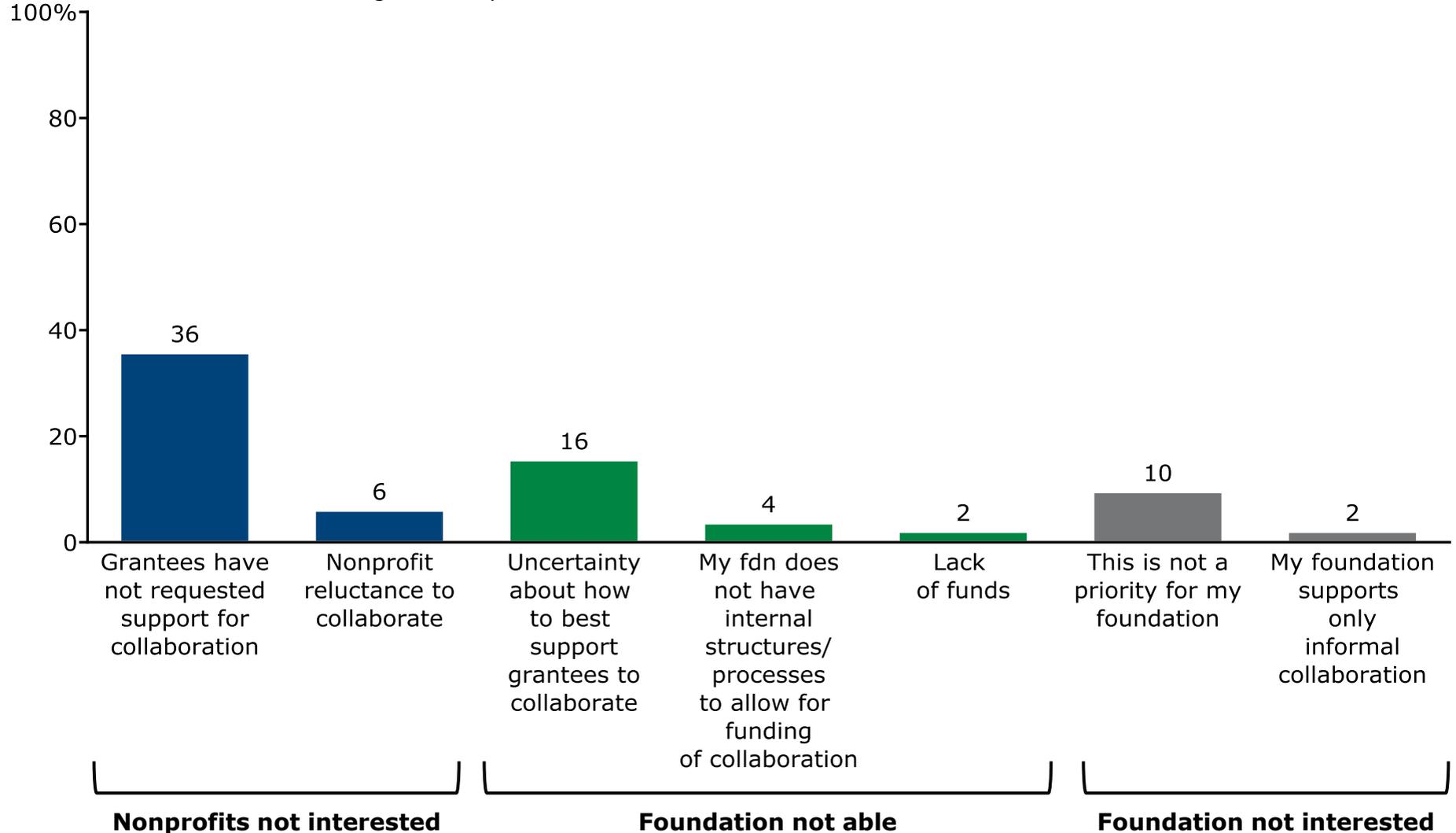
Nonprofits not interested: Grantees have not requested support for collaboration — 36; Nonprofit reluctance to collaborate — 6

Foundation not able: Uncertainty about how to best support grantees to collaborate — 16; My fdn does not have internal structures/processes to allow for funding of collaboration — 4; Lack of funds — 2

Foundation not interested: This is not a priority for my foundation — 10; My foundation supports only informal collaboration — 2

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Q: Want to see more of the findings?
A: Stay tuned

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

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

www.Bridgespan.org/Newsletters-and-Alerts.aspx

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 to 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 *intra*preneurs" – 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

MercyCorps

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

GOOD SHEPHERD SERVICES
We see what can be.

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

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SERVICES
We see what can be.

Audience Questions

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