

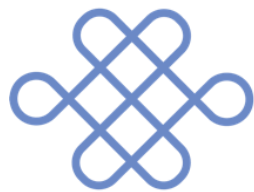


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Nonprofit Strategic Partnerships Webinar

March 2020

Debra Hertz, PhD
Managing
Director



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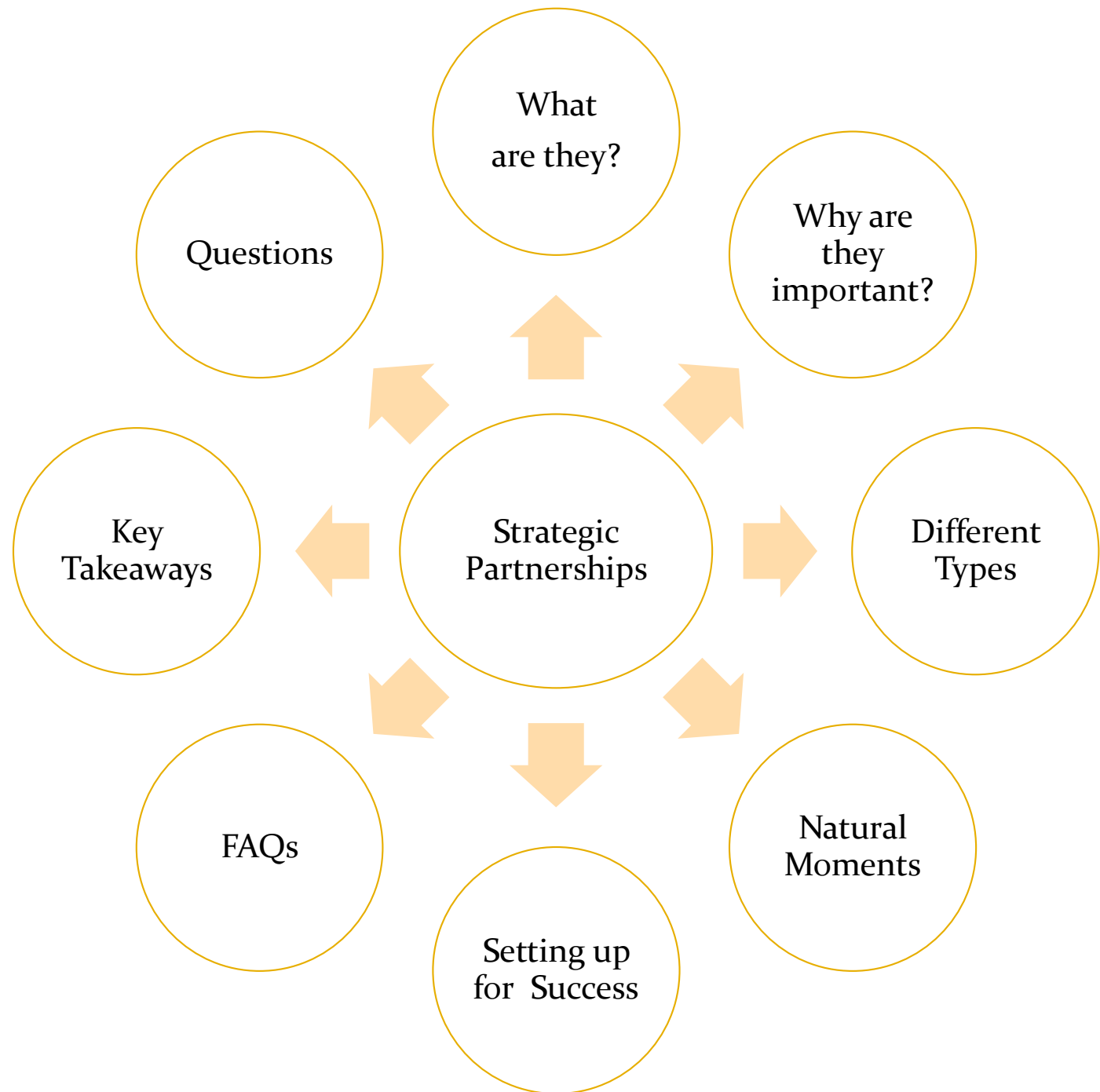




HELPFUL

TIPS

Mind Mapping



IF YOU WANT TO GO FAST,
GO ALONE.
IF YOU WANT TO GO FAR,
GO TOGETHER.

- African Proverb

Strategic Partnerships

An arrangement between one or more organizations to work together in an intentional manner toward a shared vision, helping each to better achieve their mission.



Why are strategic partnerships important?

Organizational

- Competitive edge
- Reach and impact
- Leadership

Administrative

- Economies of scale
- New funding opportunities
- Strengthen weak areas

Programmatic

- Expansion
- Sustainability

Why?

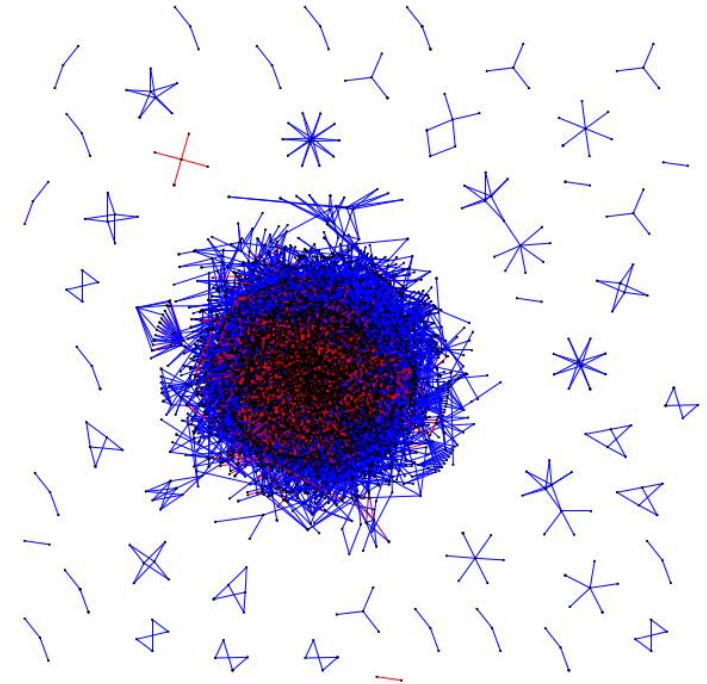
Partnership Types

- Collaboration
- Strategic Alliances
- Integration



Collaborations

- Information Sharing
- Program Coordination
- Joint Planning
- Mutual Support



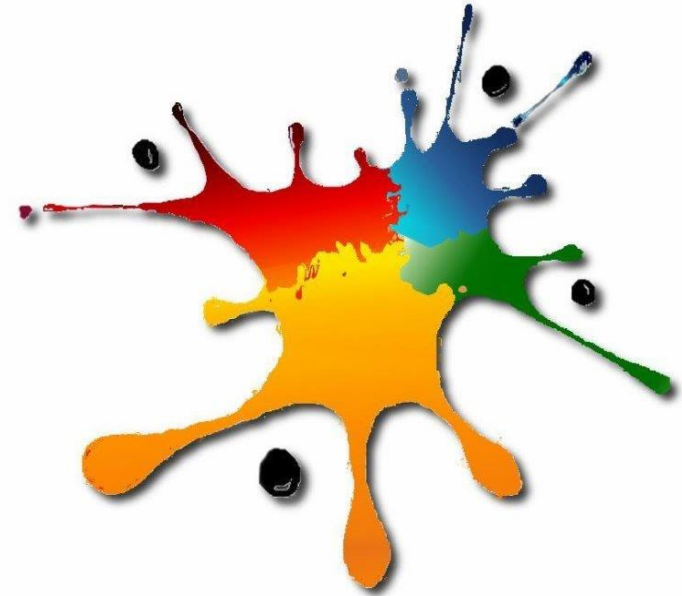
Strategic Alliances

- Administrative Consolidation
- Joint Programming



Organizational Integration

- Joint Venture Corporation/
Management Service
Organization
- Mergers



Natural Moments of Opportunity

- Executive Transitions
- Strategic Planning
- Starting an Organization
- Closing the Doors

OPPORTUNITY
KNOCKS

Setting up for Success



How to Start

- Do an honest organizational inventory of your organization and your environment.
- Make sure your board is part of the conversation.
- Invite staff leadership and other key stakeholders to also be part of the conversation.
- Write. It. Down.



Organizational Inventory

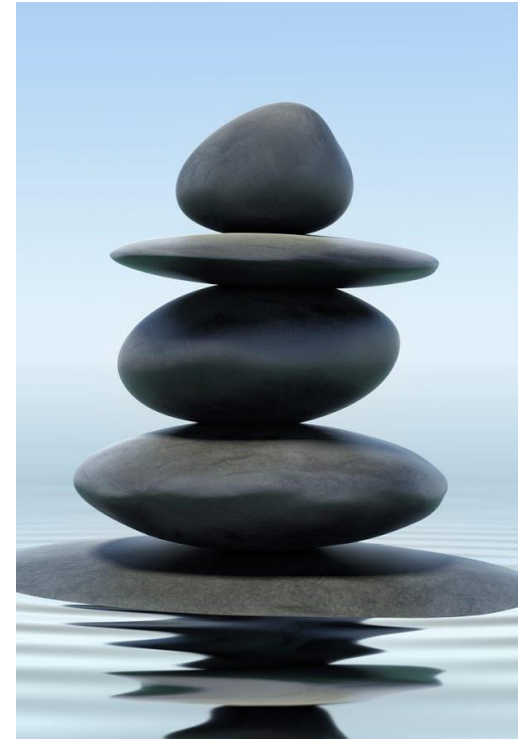
- Internal Review
- External Scan
- Future Considerations



Internal

Internal Review

1. What is our purpose?
2. What are we trying to accomplish?
3. Do we have the resources and capacity to grow or to continue?
4. Are we still relevant?



External

Environmental Scan

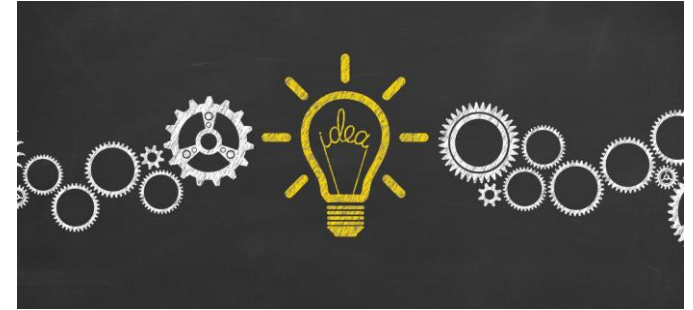
1. Competition: Who is our competition?
2. Funding: How is the funding environment changing?
3. Policy: How is the local, state and federal policy environment changing?
4. Demographics: How are the people we serve likely to change?



Future Considerations

Partnership Strategies

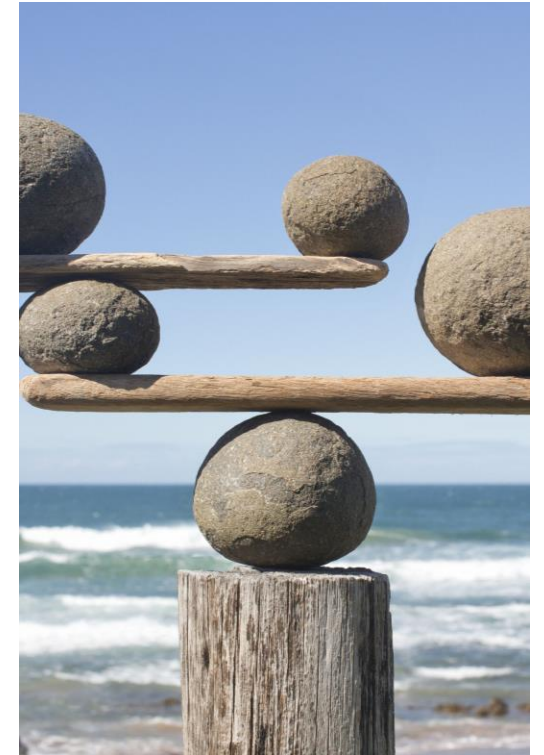
1. Partnership Principles
What do we hope to accomplish? What are our standards?
2. Identifying Partners
Who would we like to partner with?



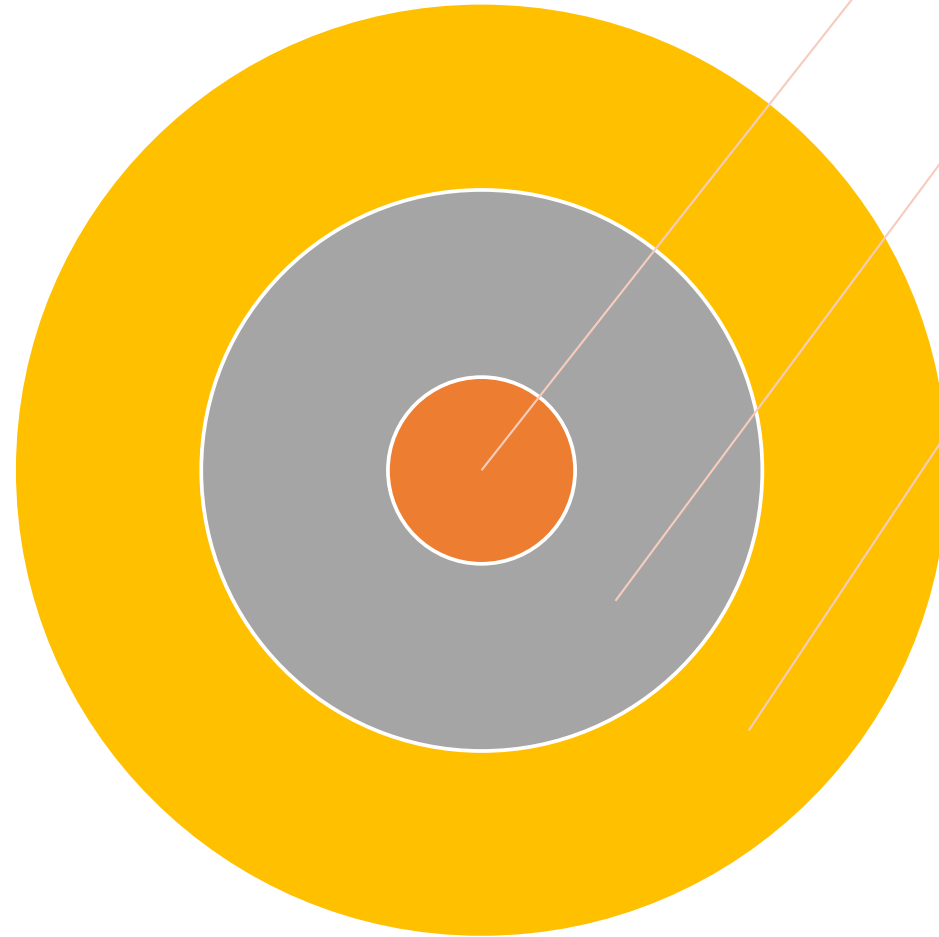
Partnership Principles Example

Amos House welcomes partnerships, mergers and collaborations that strengthen our mission *“to inspire hope and security to children impacted by abuse and neglect.”* The following criteria will be considered when evaluating potential partnerships:

- Services must be consistent with our mission.
- The organizations share complementary values.
- The partnership will enable us to serve more children.
- The partnership will help us to expand our geographic base.
- The boards of directors of both organizations have approved the partnership.
- The partnership provides clear mutual benefit.
- We have a trusting relationship with the partners.



Finding the right partners



#1

Think about people you know and with whom you work well

#2

Consider people you know, but not well, where there may be a partnership fit

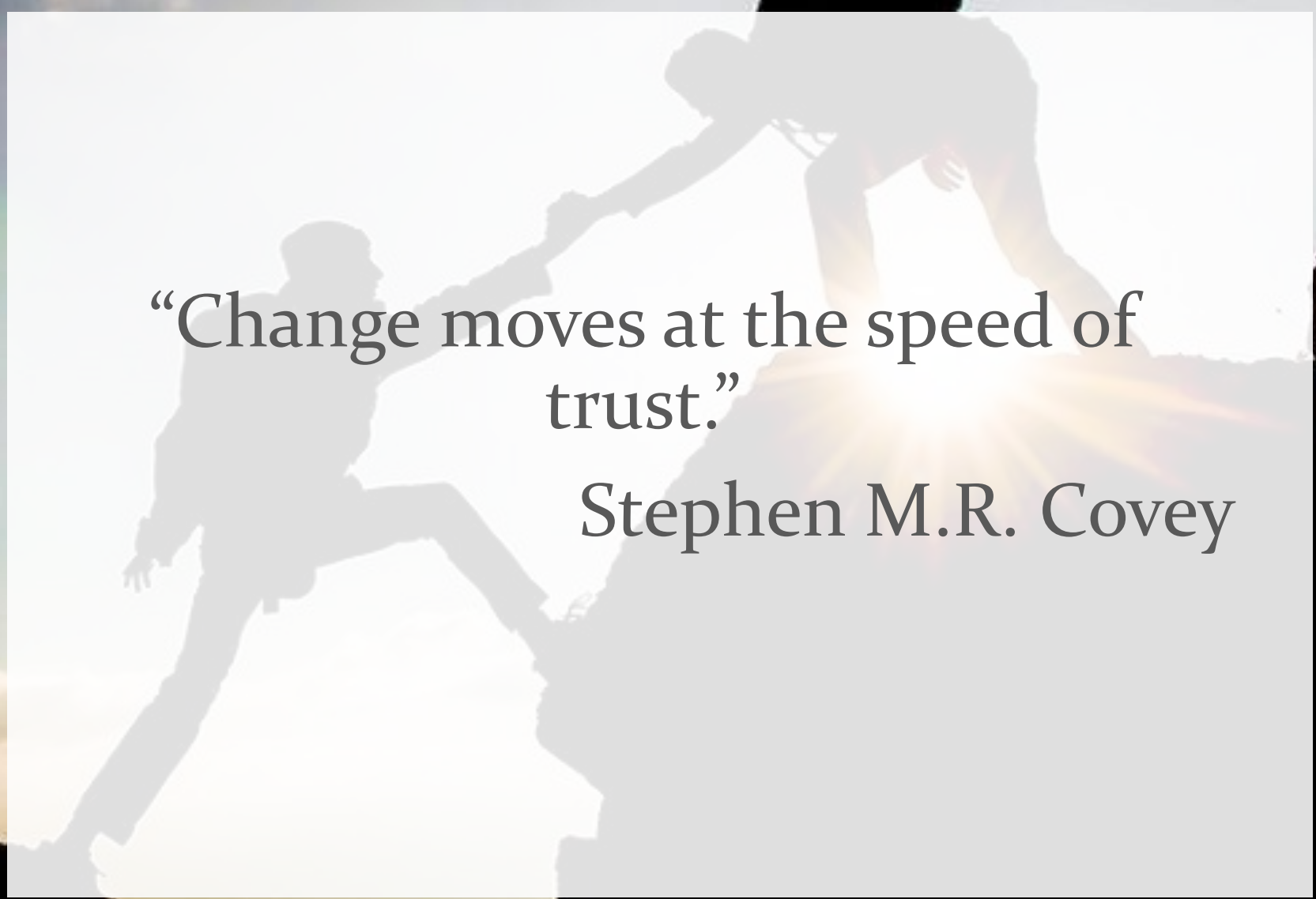
#3

Approach leadership in organizations with similar missions or where you see a fit

Who starts the conversation?

- Staff Leadership
- Board Leadership



The background of the slide features a silhouette of two people climbing a rock formation. One person is on the left, reaching up to assist the other person who is higher up on the rock. The scene is set against a bright sun, creating a lens flare effect. The overall image is in grayscale, with the sun and the quote text in white.

“Change moves at the speed of trust.”

Stephen M.R. Covey

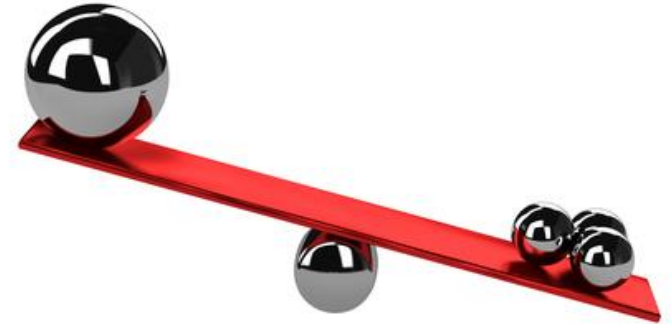
Working Together

1. Get to know each other.
2. Be clear (and honest) about who you are and what you want.
3. Recognize each other's needs.
4. Get your board involved early (if it rises to that level).
5. Seek a shared vision.
6. Together set clear goals.
7. Set clear roles.
8. Don't rush the process.
9. Expect to be uncomfortable at times.
10. Write things down.



When there is a power imbalance in negotiations

- Power in a negotiation comes from the ability to walk away.
- Assess your Best Alternative to a Negotiated Agreement (BATNA).



BATNA - *Best Alternative to a Negotiated Agreement*

The measure by which you judge an agreement.

1. List all alternatives to the current negotiation.
2. Evaluate the value of each.
3. Select the most promising and keep it in reserve. This is your BATNA.
4. Calculate the lowest deal you will accept.





1. My organization is financially strong, so why should we pursue a strategic partnership?
2. How long will the process take?
3. How expensive is it to pursue a partnership?
4. Should we decide on a specific type of collaboration as a first step?
5. What is the role of funders?
6. Will we have to lay off staff?
7. Will our organization lose its identity?
8. Will we lose our organizational culture?

My organization is financially strong, should we consider a strategic partnership?

- The simple answer is yes.
- Starting from a point of strength is to your advantage.



How long will the process take?

- A successful partnership takes time to plan and implement.
- Integration partnerships take longer than others.
- Mergers usually take between 6-12 months.

It takes



Time
to create excellence.
If it could be done quickly,
more people would do it.

- John Wooden

How expensive is it to pursue a partnership?

- There are always staff time costs.
- Collaborations are low cost.
- Integration partnerships are the most expensive and can range from \$20,000-\$200,000.



One-Time Merger Costs... (Excluding Staff & Board Time)

Task	One-Time Costs
Exploration & Negotiation	<ul style="list-style-type: none">• Consultant Fees
Professional Services	<ul style="list-style-type: none">• Attorney Fees• Filing Fees• Final Audit Fees
Launch	<ul style="list-style-type: none">• Stationery• Announcements• Celebration Events
Staff Integration	<ul style="list-style-type: none">• Attorney Fees• Severance Pay
Technology Integration	<ul style="list-style-type: none">• Hardware & Software Purchases• Networking• Staff Training
Facilities Integration	<ul style="list-style-type: none">• Lease Buy-out• Furniture & Equipment
Board Integration	<ul style="list-style-type: none">• Consultant for Board Development

Should we decide on a specific type of partnership as a first step?

- Form follows function.
- Once you have identified potential partners and outlined the purpose and process, then what structure works best.



What roles do funders play?

- Whoever leads the process, owns the process.
- Funders can support, encourage and be part of the conversation.
- Some funders financially support strategic partnerships, especially mergers.



How will this impact staff?

- This is one of the biggest fears.
- If there are redundancies or consolidations, lay offs may occur.



Will our organization lose its identity in a merger?

- Not necessarily.
- Identity matters and you need to think about it from the beginning.



Key Takeaways

1. Partnerships provide a great path to scale impact.
2. Cost savings should not be your primary goal.
3. Start with reflection.
4. Your board matters.
5. Choose partners carefully.
6. Develop a joint vision.
7. Agree on the process, and don't rush it.
8. At times you will need to choose whether to walk through the pain or walk away.
9. Write. It. Down.





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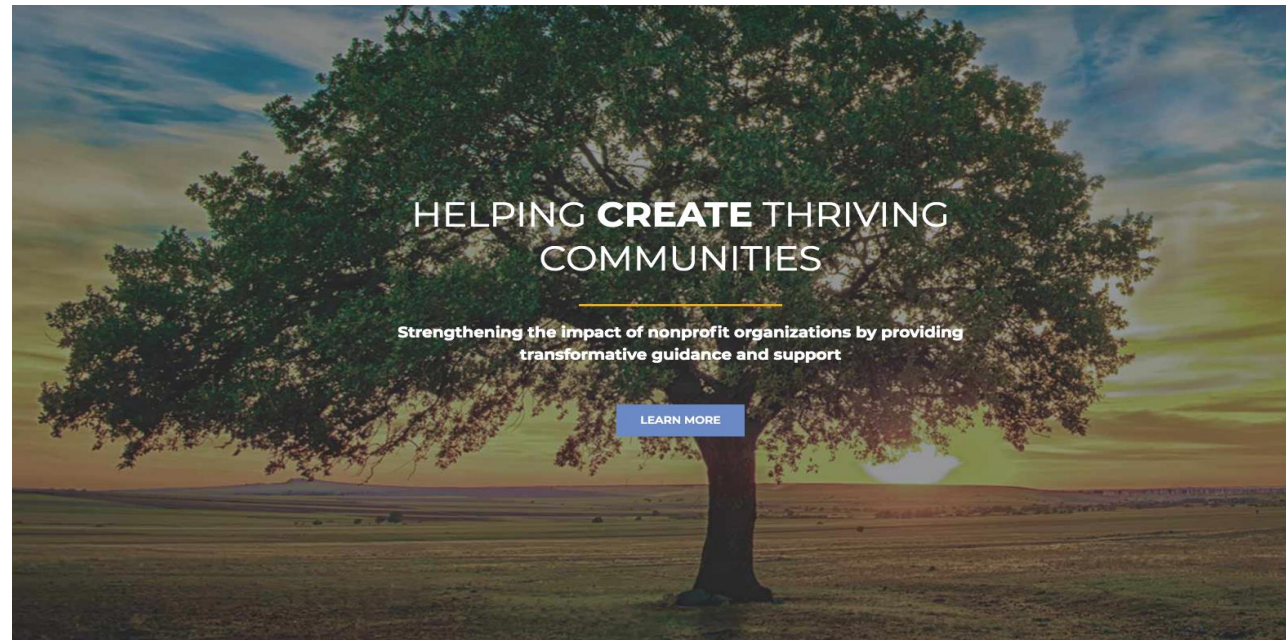
Questions!



The Strategy Group

Debra Hertz, PhD
dwhertz@thestrategygroupllc.org

www.thestrategygroupllc.org



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