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Collaboration for Greater Impact

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1.   Introduction

In more challenging economic times, two facts seem of particular pertinence for those working in the non-profit sector. Firstly, in the US, it is estimated that between 80,000 and 90,000 new non-profits are created every year.[1] That equates to over 200 new non-profits created each and every day of the year. Secondly, as far back as 1999, in a poll carried out by MORI on behalf of the Charity Commission in the UK, 58% of those surveyed agreed that there were too many charities.[2]

Today, it seems likely that donors will be more determined than ever to ensure their hard earned money is being spent wisely, efficiently and appropriately. Donors will be interested in ensuring that more cents in their euro goes to those they want to help, and fewer go to the support the, albeit very necessary, infrastructure through which services are provided.

While collaborative working has been present in the for profit sector for many years, it seems that collaboration among non-profits is becoming more common. This may be in part due to the growing trend whereby experienced people from the business world are entering the non-profit world. Many of these people bring with them a wealth of experience and knowledge about collaborative working and a deep understanding of the importance of the drive for efficiency. A recent study carried out by Bridgespan identified that non-profits in the US are engaging in mergers and acquisitions at the same rate as the entire for-profit sector.[3] In the UK, The Charity Commission has found that 22% of all charities work collaboratively and 5% of charities exist as a result of a merger in the last 10 years.[4]

Data on the frequency of collaborative working among non-profits in Ireland is not readily available, other than some isolated examples. However, with increasing growth in the non-profit sector, current economic pressures, and a growing interest within and beyond the sector for effectiveness and efficiency, the time seems ripe to consider the value of collaboration in the non-profit sector to achieve greater impact. While the government could have a role to play in encouraging this type of working, it also falls to each player within the sector to identify how collaborative working might best work for their organisation.

This paper seeks to provide an overview of the options, opportunities, and challenges inherent in collaborative working, including some examples of those that have engaged in collaborative working. It is intended to give some 'food for thought' for organisations in the non-profit sector in Ireland. It is not intended as complete and comprehensive coverage of the issues involved, or as a substitute for professional advice for non-profits considering collaborative work.

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[1] The Christian Science Monitor: http://www.csmonitor.com/2006/0605/p13s01-wmgn.html
[2] The Charity Commission: http://www.charitycommission.gov.uk/spr/mori.asp
[3] The Bridgespan Group: http://www.bridgespan.org/LearningCenter/ResourceDetail.aspx?id=2450
[4] The Charity Commission: http://www.charity-commission.gov.uk/publications/rs4.asp
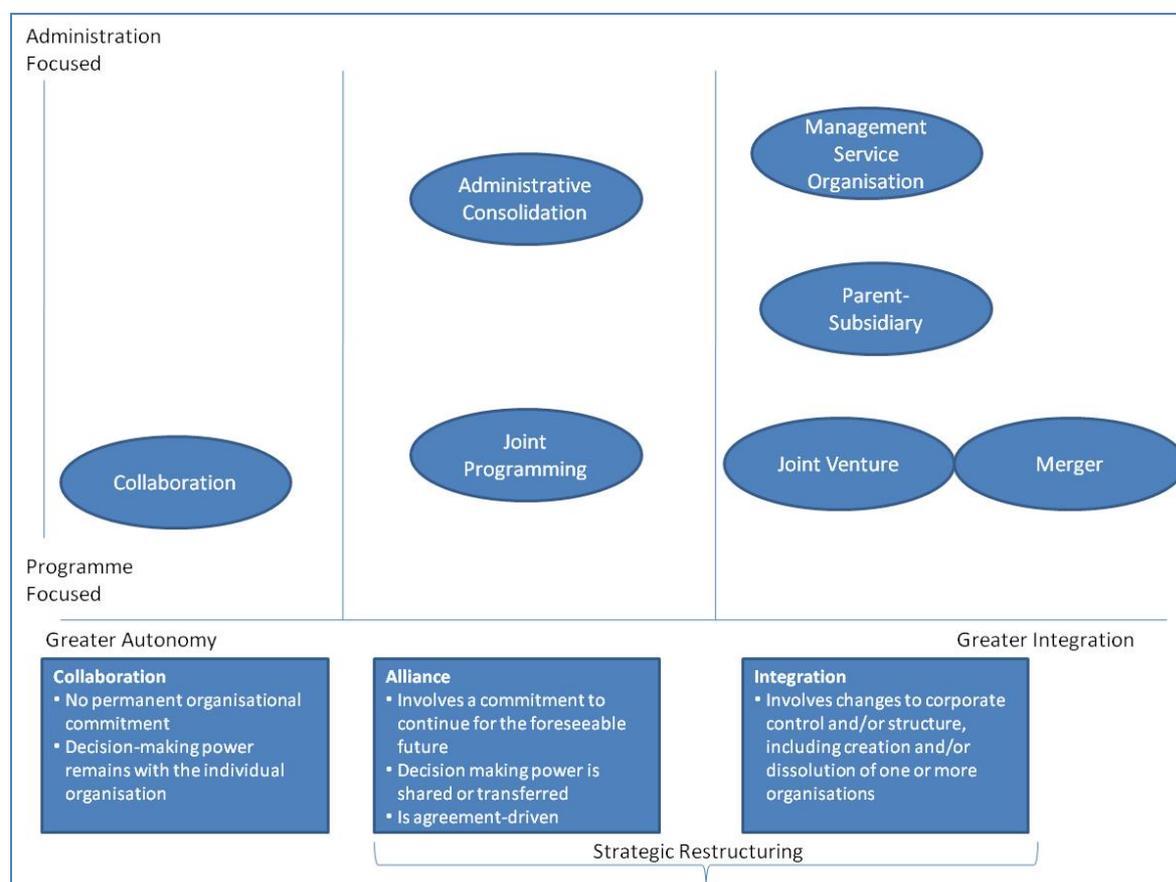
2.   What are the options for collaboration?

The National Council for Voluntary Organisations (NCVO) in the UK defines collaborative working as a partnership between two non-profit organisations.[5] It identifies that the term can cover a spectrum of ways of working, from informal networks and information sharing to full mergers. In this paper, the term 'collaboration' is used in a similar way, to cover the wide range of collaborative partnerships that may exist.

A paper produced by GEO (Grantmakers for Effective Organizations, a coalition of grantmakers based in America that focuses upon building strong, effective non-profits) identifies two major types of strategic restructuring, including a range of subtypes. The types identified differ based on their degree of integration and their focus on administrative and programme issues.[6] Figure 1 illustrates the different types of collaboration that have been identified by GEO.

(Note that, in this diagram, the term 'collaboration' refers to a specific type of partnership, rather than in the wider sense in which it is used elsewhere in this paper.)

Administration Focused

Management Service Organisation

Administrative Consolidation

Parent-Subsidiary

Joint Programming

Collaboration

Joint Venture

Merger

Programme Focused

Greater Autonomy

Greater Integration

Collaboration
- No permanent organisational commitment
- Decision-making power remains with the individual organisation

Alliance
- Involves a commitment to continue for the foreseeable future
- Decision making power is shared or transferred
- Is agreement-driven

Integration
- Involves changes to corporate control and/or structure, including creation and/or dissolution of one or more organisations

Strategic Restructuring

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[5] NCVO Collaborative Working Unit: 'Collaborative Working: Partnerships between Voluntary Organisations', March 2007

[6] 'In search of Strategic Solutions: a funders briefing on nonprofit strategic restructuring' by David La Piana and Amelia Kohm, 2003, Grantmakers for Effective Organizations

3.   What are the motivations for collaboration?

The motivations for collaboration in the non-profit world are often broadly similar to the motivations of for profit companies: value for money, competitiveness and customer satisfaction. Similarly, the decision to collaborate may be as a result of a strategic decision or it may be a tactical move, as an unplanned reaction to a crisis. In many cases the decision to collaborate arises from a combination of internal and external factors, which combine to create an environment where collaboration seems appropriate and/or desirable.

Generally, the motivation for collaboration comes from one or more of three overarching factors: finances, skill set and mission.[7]

Finances

For many, the primary motivation for collaboration with other non-profits is either a drive to save funds or to try to garner additional funds. Savings may be found through efficiencies of scale, such as sharing employees or administrative functions. For some, the drive to save funds may be through staff reduction, although generally in the non-profit world this tends to be managed through natural attrition rather than layoffs.[8] Collaboration may help raise additional funds through funding opportunities that become available, through a wider donor base or through newly opened sources of income.

Skill set

Collaboration can allow non-profits to benefit from expertise that they may not have in their own organisation. In addition, if the collaboration is resulting in a larger organisation, it can also allow a non-profit to attract, hire and share more experienced and/or specialised staff/board members than they could have attracted on their own. This may be the case particularly in a tight labour market, where staff with the right experience, connections and skills can be in short supply. Enhancing expertise can have the knock on effect of enhancing the organisation's reputation, and in turn, funding. Collaboration may also give employees the opportunity to have better pay and greater career opportunities, helping to reduce staff turnover.

Mission

For non-profits working in an area and locality where there are many different organisations with similar missions and similar services, the result may be fragmented services, and uncoordinated and/or overlapping programmes. This in turn can result in identity confusion in the eyes of the public. Collaboration can help overcome these problems, leading to increased or improved services. It can allow the missions of the non-profits involved to be served in a more appropriate way. It can also help create a more joined-up and seamless service that better serves the people it seeks to help.   Strengthening advocacy capacity may be another reason for collaboration between similar organisations, as greater influence can emerge from increased numbers speaking with a unified voice.

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[7] 'Nonprofit Mergers: Is Your Organization Ready for the Road?' by David La Piana, 2000
[8] 'In search of Strategic Solutions: a funders briefing on nonprofit strategic restructuring' by David La Piana and Amelia Kohm, 2003, Grantmakers for Effective Organizations

4.   What are the challenges?

There are a series of common challenges that organisations working collaboratively may encounter, to a greater or lesser extent.

1. Where a high degree of collaboration is required, for example in a merger, one of the biggest difficulties can arise in relation to **organisational culture and fit**. In a survey of non-profits that had merged, the most common barrier to merger was considered to be culture clash – this was experienced in the case of 52% of respondents.[9] Management style, policies and procedures, decision making processes, professional philosophies, and dress code can all become challenges.

2. With some types of collaboration, **staff turnover** can also be a problem. While a small proportion of staff turnover may be due to redundancies, this is more often due to a change in leadership which in turn leads to changes in philosophy or structure, resulting in a work environment that may not be suited to all staff. In addition, some staff may leave due to increased workload resulting from collaboration – this tends to happen more often with management, as they may be expected to oversee more people than they originally managed or wanted to manage.

3. The process can be **resource intensive**, in terms of time and money, due to the need for due diligence, professional advice, and other costs such as marketing, re-branding and systems integration. Equalisation of staff benefits and pension costs can be an additional cost in some cases.

4. Collaboration can also lead to problems with **leadership**. Leadership may be shared, in an attempt to make it clear that one organisation is not dominating another. This can lead to confusion about roles and responsibilities. In addition, some leaders may find it difficult to manage a larger organisation.

5. If the collaboration results in the creation of a new organisation, there may be issues in relation to **organisational identity**. This can cause problems for staff and in the eyes of donors and the general public, and may also impact staff motivation and commitment levels.

6. There may be a **lack of support** for the collaboration from the board and staff. This may be due to a fear that organisational autonomy will be lost, or it may be fear of loss of power or funding, job security or changes in employment conditions. One of the biggest challenges, particularly with mergers, can be tension that may exist at senior management and Board member level, if there is going to be only one CEO position or reduced board members.

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[9] NCVO Collaborative Working Unit: 'Should you collaborate – key questions', March 2005

5.   What are the success factors?

A review of the available literature on the key success factors for non-profits seeking to collaborate identifies a range of success factors that are generally found in successful collaborations.

1. One of the key success factors is **research and planning**. All options for collaboration and their implications should be explored, in the context of the wider environmental factors impacting the work of the organisation, and in the context of how that option will advance the mission. The cost of implementing each option needs to be weighed up against expected benefits of implementing that option. Researching potential partners is another important part of the process. A thorough due diligence process needs to be undertaken to understand the suitability of the prospective partner. This should include examination of governing procedures and documents, financial stability and organisational liability of the potential partner. Cultural fit, funding and staffing should also be considered.

2. **Openness and communication** are imperative for success. Open communication is important in conducting discussions with the partnering organisation, to build trust and avoid unexpected disclosures later down the line. Plans for collaboration should be communicated within the organisation with good timing and sensitivity. While some advocate involving staff throughout the decision making process, this may not be appropriate for all organisations. Good communication can help quell staff fears, mistrust and uncertainty, and prevent the rumour mill going into overdrive. Appropriate communication with members (particularly where members have voting rights), beneficiaries, donors and funders is another important consideration.

3. **Supportive staff teams** play a crucial role during and after the collaboration process. It is important that senior management are supportive of the proposed collaboration, so that they can sell the change to various stakeholders. In particular, a senior 'champion' for the collaboration in each organisation can help to get input from staff, manage conflict and keep discussions focussed. Champions of the process on the board can help to garner the board support and encouragement that is so necessary for success.

4. **Strong leaders** are another success factor. Leaders are needed that can remain focused on the mission and vision of the organisation and the overarching purpose and long term strategic benefit of the collaboration.

5. The **desired outcomes** of the collaboration should be considered early in the process. Where possible, these should be **quantified**, so the success of the collaboration can be evaluated later.

6. Particularly with collaborations involving a high degree of integration, such as mergers, **professional advice** should be sought. The earlier in the process that this can happen, the better. This makes it more likely that costly and complex issues can be identified and resolved early.

7. Some commentators propose that an organisational propensity for **risk taking** or a **growth orientation** can also be a success factor. However, it seems likely that the importance of this varies depending on the type of collaboration in question.

8. Some of the literature also advocates **moving quickly** in certain cases. For example, if a number of difficult changes need to be made, such as staff cuts, it is suggested that decisions should be made all at once if possible, so that uncertainty is reduced for staff members.

6.   What are the outcomes of collaboration?

The Charity Commission in the UK states that previous research has shown that it is difficult to measure or demonstrate the benefits of collaboration. This is due to the number of factors that can affect the end result of the collaboration. However, it does report that approximately a third of non-profits report an improvement as a result of collaboration, with improved service delivery being identified as the main benefit. A tiny proportion of non-profits felt that their position had worsened as a result of collaboration.[10]

Another study conducted by GEO found that many of the case study participants did not have hard evidence of the beneficial impact of the collaboration, but many felt strongly that it resulted in financial savings, increased or improved client services, sharing of expertise, improved staff benefits and enhanced reputation for their organisation.[11]

It must be recognised that collaboration is not always appropriate and can be difficult to achieve. However, it seems that when collaboration is strategic rather than tactical, it can be instrumental in furthering a non-profit's mission, serving more clients, or providing better quality service, often at a lower cost.

7.   Is collaborative working right for my organisation?

Collaborative working involves risk. It is not right for every organisation at every time. In the words of one commentator, '*the consequences of merger are absolute...It could be the best move ever, or an absolute disaster*'.[12] While this commentator's focus is upon mergers, the comment could equally apply to other types of collaborative working.

NCVO have developed a series of documents that focus on collaborative working between non-profits. 'Should you collaborate – key questions' is particularly useful for organisations considering collaboration as an option. It sets out a range of questions, albeit in a UK context, that can help non-profits think through the implications of collaboration.

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[10] The Charity Commission: http://www.charity-commission.gov.uk/publications/rs4.asp
[11] 'In search of Strategic Solutions: a funders briefing on nonprofit strategic restructuring' by David La Piana and Amelia Kohm, 2003, Grantmakers for Effective Organizations
[12] 'Merging Interests' by Bill Mather, published by the Baring Foundation, 2000

8.   What role can funders play?

Funders can play an important role in encouraging collaborative working. Many funders see funding requests from nonprofits that provide similar or complementary services. These funders are therefore often in an appropriate position to identify potential opportunities for collaboration, to unlock the efficiency and economies of scale that can be associated with this type of working.

For these reasons, funders often act as the catalyst for collaboration amongst non-profits, through giving specific incentives to collaboration, or favouring those that demonstrate efficiency through collaboration. One example is the Lodestar Foundation, an organisation that seeks to, amongst other initiatives, encourage and support collaboration and long term cooperation among non-profits working in the same area. This foundation specifically focuses upon collaboration between those who could otherwise be considered competitors. To this end, the foundation gives a range of grants that reward collaboration. It also created and currently funds an award called the Collaboration Prize. This awards a prize of $250,000 to two or more non-profits that collaborate to increase impact and eliminate duplication of effort. First launched in 2008, the competition saw 624 nominations, and ended in a tie between two successful mergers. [13]

Funders can also help to encourage collaboration in other ways. For example, they can help to create an environment that is conducive to facilitating collaborative working such as through convening grantees to share information, common issues and strategies. Funders can also provide funding to non-profits exploring the idea of long-term collaboration, or provide funding to facilitate the cost of the actual collaboration process.

Many commentators focus on the fact that funders should play a facilitative role rather than a directive role, as a forced collaboration is less likely to work.

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[13] The Collaboration Prize: http://www.thecollaborationprize.org/Home.aspx

9.   The Irish context

There are 7,449 registered charities in Ireland. However, this only includes those organisations registered with the Revenue Commissioners for tax exemptions on charitable grounds. The Centre for Nonprofit Management at Trinity College, Dublin carried out a study on non-profit organisations in 2006.[14] They identified over 24,000 non-profits in Ireland. The sector is clearly hugely significant in Ireland, not just in terms of valuable services provided but also in terms of social capital, or the development of social networks among individuals. Through local community engagement and opportunities for volunteering, the sector makes an important contribution to a healthier society.

Information on the level of collaborative working in Ireland is not currently available. In the absence of this information, it is useful to consider some of the data that is available in the non-profit sector in Ireland.

The study carried out by the Centre for Nonprofit Management found that half of the organisations surveyed were established since the 1980s. This indicates that there has been significant growth in the sector over the last two decades. While much of this growth is, of course, in response to need, it is possible that some of these organisations are duplicating work of others.

The survey notes that growth patterns of organisations vary according to their area of focus. It points out that '*sports groups, for example, are over represented up to 1986, while development and housing groups are over represented since 1986. Social services organisations are over represented since the late 1960s, and arts and cultural organisations are over represented in the period 1987-1996. Education, religious groups and trade unions, business and professional associations are over represented in the period up to the late 1960s.*' This changing profile again is likely to be reflective of changing needs and attitudes among the Irish population, and changes in government policy. However, it also may indicate particular areas that could be examined for the potential of collaborative working.

A quick search on the list of registered charities provided by the Revenue Commissioners shows that in some areas there appear to be a proliferation of non-profits at work. For example, there are 48 organisations operating in one particular health field, and 21 international development organisations operating in one specific geographic area. As this is based only on those organisations that are registered charities, the actual figure is likely to be higher. Quoting these figures is in no way intended as a suggestion that these organisations all have precisely the same remit, or that some of the organisations are obsolete. However, it does indicate that there may be areas in which some of these groups could potentially collaborate.

The Centre for Nonprofit Management found that, of those that responded, over half of expenditure (54.6%) went on staff costs, followed by over one third (36.9%) on operating costs. 8% was spent on capital costs. If staff and operating costs could be reduced through collaborative working this could increase the amount available to help the beneficiaries of the organisation.

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[14] 'The Hidden Landscape: First Forays into Mapping Nonprofit Organisations in Ireland' by Freda Donoghue, Geraldine Prizeman, Andrew O'Regan and Virginie Noel, 2006.

In addition, the study examined resource vulnerability across different types of organisation, comparing income to expenditure.

	Income as % of Expenditure
Arts, Culture and Heritage	77.2
Sports and Recreation	112.9
Education and Research	96.9
Health	97.3
Social Services	97.1
Environment	58.2
Development and Housing	106.7
Advocacy, Law and Politics	112.6
Philanthropy	152.4
International Development	93.6
Religious Groups	91.3
Trade Unions, Business and Professional Associations	119.9
Total	98.2

As the table above shows, the study found that the organisations most vulnerable to resource insufficiency were environmental organisations, followed by arts/culture/heritage organisations. Again, it appears that while all non-profits could benefit from reducing costs through collaborative working, it might particularly help to strengthen those showing resource vulnerability.

10.   A Case Study: Self Help Africa

With thanks to Miriam Enright, Self Help Africa.

One of the well known recent examples of a successful collaboration in the non-profit world in Ireland is the integration of Self Help Development International and Harvest Help to create Self Help Africa. In this section, we examine the creation of Self Help Africa a little more closely to identify what can be learned from its experience.

10.1 Background

Self Help Africa was formed in Summer 2008, when Self Help Development International, an Irish agency, and Harvest Help (UK), a UK based agency, formally integrated their operations to create a new organisation.

The two agencies shared much in common. Both were small international development non-governmental organisations (INGOs), working to alleviate poverty and hunger in Sub-Saharan Africa. Both shared a common cause and ethos in many respects, including a belief that African people must be central to the development process and that rural agricultural development must be the primary driver to economic advancement for many African countries. In addition, both Self Help Development International and Harvest Help had been established in 1984-5, at the time of severe drought and famine in Africa.

10.2 Method of Integration

The integration of these two organisations took place in two phases:

Phase 1: Potential Collaboration

Self Help Development International initially approached Harvest Help to discuss the possibility of future collaboration. The rationale for this approach was based on a range of factors:

- Both entities had a similar objective: to implement sustainable long term development programmes in rural African communities.

- Both entities had different, but complementary implementation approaches: while Harvest Help worked through local partners, Self Help Development International adopted a direct programme implementation approach with local staff working in partnership with communities and local government institutions.

- Both organisations wanted to learn each others' core competencies to ensure the most efficient and cost effective delivery of projects.

- Both understood the potential added leverage of funding if the agencies acted jointly.

Research took place to ensure that this initial form of collaboration made sense. The research was through the exchange of strategic plans, a detailed assessment of implemented programmes, identification of potential joint projects, and detailed analysis of income and expenditure.

Phase 2: Integration of these organisations to become Self Help Africa

As the exploratory investigations and discussions developed, it became more apparent that there would be significant economies of scale and synergies possible if this arrangement could be established on a permanent and more structured basis. There also was very obvious appreciation of the shared experiences between the staff in both organisations. The representatives of the two organisations concluded that:

- both organisations had the same goal/ mission: sustainable rural development to alleviate poverty in Africa

- economies of scale could be identified, particularly in area of staff positions HR, IT, Payroll, Compliance, etc., that would reduce overall costs and enhance existing skills

- definite additional funding opportunities existed.

- complementary methodologies existed that would ensure stronger best practices across all projects

Information on integrations and mergers (see attached readings) within the non-profit sector were limited and very specifically referred to organisations operating within the UK non-profit environment. It was decided that an advisor would be appointed who would be acceptable to both parties, who was familiar with non-profits and INGOs in both jurisdictions, and who had experience in facilitating integrations between INGOs. At the same time, the two boards appointed representatives from the boards and from senior management to take responsibility for the process. Once these teams were in place:

1. A due diligence exercise was carried out by each organisation on the other. These exercises informed and reassured the respective boards in respect of the affairs and circumstances of the intended partners. This cleared the way for moving on the process.

2. The appointed adviser helped the authorised representatives from the two parties to explore the variety of integration options which came closest in terms of an integration fit. Foremost in the minds of the negotiators was the need to ensure that both parties retained and developed their respective civil society support and identities in their home and overseas activities.

3. A variety of integration model options were considered with the following goals in mind:

   a. Both organisations wished to retain their identities and footprints, but not necessarily their precise names.

   b. The Irish organisation envisaged having an active membership/ownership base, reflecting Irish civil society and supporters.

   c. Both organisations needed to have active boards to satisfy donors, co-funders and regulators.

The preferred model of integration was enshrined in a Memorandum of Understanding (MOU) that went beyond specifying an integration model, embracing corporate governance, management structures, responsibility determination, and every other conceivable integration dimension. A critical element in the MOU was the resolve by both parties to change the name of the Irish organisation to Self Help Africa, and to rename Harvest Help as Self Help Africa (UK).

On completion of the MOU, and when the Memoranda and Articles were completed, the respective boards considered and approved the outcomes, with the minimum of final alterations tabled and resolved. This brought the process to the stage where both organisations, through their respective solicitors, could submit the proposals to the relevant agencies for consideration and approval.

The entire process, from initial contact about the possibility of collaboration, to actual integration took approximately ten months and in July 2008, Self Help Africa was officially launched.

10.3 What has happened since integration?

The newly integrated group was launched in Dublin in August 2008, with a formal ceremony in the Irish Aid Information Centre, hosted by Peter Power, Minister for Overseas Development. A parallel ceremony took place in Westminster, which was hosted by Ms. Gillian Merron, Labour MP and Parliamentary Undersecretary at the Department for Overseas Development (DFID).

A large group of directors/trustees from the two boards met in conference in Dublin in August 2008 to commence the process of determining the arrangements for effective operation at board and executive management levels. The outline of arrangements for financial and treasury management, and for strategic planning were developed and advanced.

The management team determined the programme management and reporting arrangements for the integration of the overseas programmes of the two organisations.

Immediate initiatives were undertaken by the management team, supported by both boards, to inject purpose and scale into fundraising and co funding initiatives.

Initiatives were taken to appoint specialists and support staff in both organisations, to ensure that the group was properly resourced to implement its new strategic plan.

10.4 Outcomes from Integration

Less than a year later, and the integration process has led to some very concrete positive outcomes, including:

- Self Help Africa now operates in nine countries in Africa instead of the five in which Self Help Development International had worked.

- Income for 2008 increased to €10million, compared to approx €7million in 2007.

- Best practices are now being applied to all projects i.e. using local partners, building capacity within the local community, expanding area programmes to all nine countries, and integrating into a new strategic plan.

- Synergies of shared experience are emerging, particularly in the area of business development and communications.

- Economies of scale are also a benefit with one HR person, one IT person, one set of marketing materials, one website, one annual report etc.

- A higher level of access to additional funding is now available to all projects. This is due to the existing relationship that each separate entity had built up with funders, as well as to the increased scale of programmes and incomes. The latter qualifies Self Help Africa for funding from specific trusts and foundations which only support INGOs operating to this scale.

- Dependency on particular donors has been reduced.

While there have been many achievements, it is recognised that this integration is a work in progress and will continue to be so for the near future.

10.5 Lessons Learned

Based on Self Help Africa's experience, the following advice is on offer for other organisations that might be considering collaboration or integration:

1. If the ethos and values of the organisations are alike then there is a very good starting point for collaboration.

2. Governance and control over the organisation needs to be clear, to ensure that goodwill and a desire to collaborate do not mask weak governance or poor management structures.

3. A number of staff in both organisations had previously worked together so there was some knowledge of working relationships which improved the ability to build trust quickly. Do not underestimate the amount of work involved in creating and agreeing new constitutional rules and entities.

4. Ensure that a competent adviser is engaged, acceptable to both organisations, and that a negotiating team, drawn from management and boards, is charged with responsibility for the process

5. Ensure that competent solicitors are drawn into the process by both parties

6. Restructure the organisation so that there is only one department for each section, e.g., one programmes department instead of duplication in each organisation.

7. Update/change all logos, marketing material, website and common communication such as annual reports, newsletters as soon as the launch has taken place. Agree on a common message for the new entity and standardise across the organisation.

8. Ensure that all language used within the organisation refers to the new organisation name, titles and strategic direction.

9. Even when staff are 100% behind the integration, sometimes the compromise of implementing new processes or communicating in a new way can be difficult.

10. Bring all staff together shortly after official launch so they get to know each other on a personal level, taking away the main barriers of communication. This is particularly true for smaller organisations where change is more personally felt than in larger ones.

11. Ensure that staff and boards agree to a new strategic plan and budgets within six months, so that there is a shared purpose.

12. Make sure that you inform supporters and volunteers as soon as possible, as many may have concerns regarding the new culture of the organisation. Don't assume that all supporters will like change.

13. Accept that changes take time, particularly in relation to how people relate to each other and the communications systems that are in place.

14. Build in time to explain to leading donors the change in status, the rationale for integration, and the benefits of such changes.

For clarification or enquiries on any aspect of this case study, please contact Miriam Enright Head of Business Development, Self Help Africa 057 8694034.

11. Some more examples of collaborative working

Drawing from the experience of others who have collaborated is useful. Some examples are listed here, to show the range of types of collaboration that may be available, the drivers for collaboration and some outcomes of collaborative working.

1. **A joint venture for a specific project**

   The **Community Council for Devon** and **Kenn Parish Hall** are an example of two organisations that are taking a collaborative approach. They are embarking on a **joint venture** to provide a new purpose-built complex. This will provide an up to date premises for the Community Council for Devon and give Kenn Parish Hall new community hall facilities. The two organisations drew up a joint venture agreement detailing the ratio for investment and the usage arrangements for each organisation. In this way, both organisations are working together for their own mutual benefit.[15]

2. **Working together in areas of shared interest**

   Community Alliance is a **partnership** set up in England in 2004. It consists of four national community based networks – bassac, Community Matters, Development Trusts Association and The Scarman Trust. These organisations work in close collaboration on areas of **shared interest**, such as publications, while ensuring the **distinctive features** of each organisation are retained.[16]

3. **A merger funded by specific grants**

   Volunteering England was formed in 2004 as a result of the **merger** of three organisations: Volunteer Development England, the National Centre for Volunteering and the Consortium on Opportunities for Volunteering. This merger was initiated from a belief held by the three Chief Executives that the fragmented provision of volunteering services at a national level was not in the best interests of the strategic development of volunteering. The proposal to merge was strongly supported by funders, who provided funds for the merger process. This merger cost £150,000, a cost that was **funded by specific grants** from the Home Office, the Department of Health and Lloyds TSB Foundation. The merger was implemented by a Steering Group made up of representatives from the existing organisations. The merger resulted in economies of scale and the ability to attract higher levels of funding. Following the merger, the new non-profit saw a 32% increase in government funding compared to total funding for the three constituent organisations. This increase is thought to be due to two reasons – support for the merger from funders and a greater ability on the part of the new organisation to obtain funding.

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[15] The Charity Commission: http://www.charity-commission.gov.uk/publications/cc34.asp#b
[16] The Charity Commission: http://www.charity-commission.gov.uk/publications/cc34.asp#b

4. **Merging to achieve greater impact**

Community Foundation Silicon Valley and the Peninsula Community Foundation agreed to merge in 2006 to form a united foundation, **Silicon Valley Community Foundation**. This foundation is the fourth largest community foundation in America, with more than $1.9 billion in assets. The rationale for this merger was to achieve **greater impact** through a regional approach. The catalyst for change was the fact that the **leaders of both organisations** were planning to move on at about the same time, and so the time seemed right to reconsider merging, a move that was first discussed in 1991.[17]

5. **A merger arising from a merger feasibility study**

Asian and Pacific Islander Wellness Centre was formed in 1997 by the **merger** of two organisations in San Francisco. The San Francisco Department of Public Health awarded $10,000 to the two organisations to conduct a **merger feasibility study**. Initial merger discussions had been attempted four years prior to the grant being awarded. This grant facilitated exploration of the idea of collaborative working. Five years later the merger has been completed and is considered a success.[18]

6. **An example of administrative consolidation, followed by a merger**

Neighborhood Healthcare initiated **consolidation** of the key administrative functions of two health clinics located in California in 1999. This move was prompted by the substantial financial losses and lack of appropriately qualified staff that was in one of the clinics. The second organisation, while relatively stable financially, was seeking to expand. They agreed to consolidate several key administrative functions, including sharing an Executive Director. Following the success of this collaboration, and in response to increased financial pressure, the two organisations decided to **merge** into Neighborhood Healthcare in 2002.[19]

7. **Managing communications throughout a merger**

In the mid 1990s, the **American Cancer Society** merged a number of offices into one regional division. Every employee except the CEO was required to reapply for their job. This created stress for staff and an environment where rumours were likely to thrive. To combat this, they took a proactive approach to managing communications throughout the merger process. A weekly newsletter was issued containing updates about the merger. In addition, a concerted effort was made to communicate throughout all levels of the organisation. Employees were assigned to act as a liaison between those leading the merger and other employees. These contact points passed on any rumours that were circulating, without identifying the sources, so they could be addressed in the newsletter. This helped prevent rumours and false information from circulating, at a time that was stressful for all staff.

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[17] Silicon Valley Community Foundation: http://www.siliconvalleycf.org/index.html; Association of Fundraising Professionals: http://www.afpnet.org/ka/ka-3.cfm?content_item_id=23723&folder_id=2545
[18] Strategic Restructuring: http://www.lapiana.org/resources/cases/mergers/05_2002.html
[19] Strategic Restructuring: http://www.lapiana.org/resources/cases/admin/11_2002.html

8. **Merging fundraising activities**

   Three organisations in New York (Safe Space NYC, the Children's Village Inc. and Inwood House) decided to collaborate by merging **fundraising activities**. They created a separate charitable organisation to cultivate donors and solicit major gifts. This type of arrangement can allow smaller organisations to share the financial burden of recruiting fundraising staff with the appropriate skills and experience.

Comments and feedback welcome.

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Suitable readings

- 'Collaborative Working and Mergers', A Charity Commission (England & Wales) publication (2008).

- 'Legal Issues in Charity Mergers', representing the research work carried out by the Charity Law Unit of the University of Liverpool, in conjunction with a large number of UK charities.

- 'Mergers: A Good Practice Guide', published by the Charity Law Unit of the University of Liverpool, 2001.

- 'Should you collaborate?' published by NCVO, March 2005.