



## Rethinking Collaboration

by Kylie Hutchinson

Nonprofits are learning that working together can also mean working smarter.

There's a lot of talk about partnerships, coalitions, mergers, and alliances these days, and for good reason. Whatever you choose to call it, collaboration makes good sense. In an era of growing demand and shrinking budgets, there is no better time for nonprofits to explore collaboration as an innovative way to reduce operating expenses while maintaining or enhancing services. But how do you know if collaboration is right for your organization?

### Panacea or Pitfall?

Collaboration is based on the idea that organizations with similar mandates can accomplish more working together than they can on their own. They may be formed around a particular cause or common issue, or to simply build the organizational capacity of each other.

Despite the significant commitment of financial and human resources required, there are many compelling reasons to seriously consider collaboration.

- increased financial and organizational stability
- access to greater resources and a larger knowledge and skill base
- greater visibility and credibility speaking as a united voice
- reduced isolation for smaller organizations

There are many examples of successful collaborations within the nonprofit

sector. Effective partnerships typically include high levels of communication, trust, and commitment among partners; strong leadership; strong managerial will and staff support; similar organizational mandates; comparable organization sizes; organizational stability; a small number of partners; and an equitable commitment of resources.

This all sounds good so far, but there are also many obstacles that can derail your collaboration. These include:

- different expectations around the vision or goals
- loss of direction or focus
- lack or change of leadership
- lack of time or commitment
- unequal involvement
- excessive bureaucracy
- "turf battles"
- diversion of too many resources from regular programming

### Making it Work

Once your organization has identified other organizations to potentially collaborate with, you will likely want to first determine the needs and compatibility of all partners. This involves comparing missions and organizational culture, reviewing the individual and shared needs of each organization, and possibly developing an inventory that permits the comparison of existing human and capital resources (if co-location is being considered). The importance of comparable organizational cultures cannot be over-emphasized as studies have shown that culture clash is perceived to be the single most common reason for failed mergers within the corporate sector.<sup>1</sup>

Collecting this information will help to identify which collaborative structure is the most appro-

priate for your group. However, since the process used to develop your collaboration is equally as important as how you structure it, partners will also need to articulate a collective vision, develop long-term goals, objectives, outcomes, and action plans, and begin to build trust by openly discussing their fears and concerns.

Here are some additional hints to get your collaboration off and running smoothly.

- Establish common understanding and ground rules.
- Develop clear roles for members and leaders.
- Establish a formal decision-making process and mechanism for resolving disputes before they arise (and they will!).
- Be open to build trust.
- Deal with difficult issues immediately.
- Focus on long term results versus short term rescue plans.
- Keep staff informed of the process throughout.
- Involve those stakeholders who will be affected by the process.
- Strive for "win-win" scenarios.
- Keep good documentation of the process.
- Involve a neutral third party to initially provide direction and keep the process on track.
- Spend time getting to know others.
- Be persistent and patient.
- Take the time to do it well.
- Celebrate milestones

## Collaboration Models

At some point in this process, your group will need to consider the more practical aspects of how to structure the collaboration. For example, who will administer joint funds received or assume responsibility for the photocopier lease? Three possible models of collaboration are a consortium, virtual agency, or co-location. Each model has its own advantages and disadvantages and varies in terms of associated risk and liability, level of organizational autonomy, estimated cost of implementation, potential cost savings, and time frame for implementation.<sup>2</sup> Although each model is presented here as being distinct, many components of each are applicable across models.

Sometimes less is more. A consortium is an example of how organizations can achieve cost-efficiencies and greater levels of program synergy without merging or sharing office space. As Winer and Ray advise, "Resist creating new organizations complete with board structures and policy books. Instead organize to change the way people exchange information, make decisions, and allocate resources."<sup>3</sup> Partner organizations in a consortium draft a joint agreement to support the work of the collaboration using a menu approach. This menu approach gives organizations the option of collaborating to the degree they feel comfortable by allowing them to pick and choose which joint activities they wish to participate in.

A virtual agency uses information technology to connect organizations with each other through electronic routes of communication.<sup>4</sup> Rather than focusing on what work is performed within a collaboration, the virtual agency focuses on how that work is done through the

use of email, electronic mailing lists, private electronic conferences, web pages, on-line databases, and other forms of electronic communication. Adopting a virtual agency approach provides organizations with a more cost and time-efficient method of working by decreasing their reliance on traditional methods of communication such as face-to-face meetings and long distance telephone. Alone or concurrent with other models, the virtual agency can be a strong tool to facilitate greater communication within any collaboration.

In a co-location scenario, autonomous organizations join together to share office space and common administrative functions. Unlike a merger, where several societies either amalgamate into one new entity or are consolidated into the activities of a larger society, co-locating organizations maintain their individual society status and develop a separate structure for the governance of the partnership as a whole. This governance structure can either be a) a "host" agency, b) a nonprofit society, c) a limited company, or d) a co-operative. Again, each has its own advantages and disadvantages. Appointing a host agency is the most common form of co-location governance. This involves channeling rent and other administrative activities through the host agency based on a mutually agreed-upon formula by all partners. If a group wishes to distribute liability more equitably among its partners, it may choose to form a separate nonprofit society to govern the collaboration as an umbrella entity. This is the second most common form of governance next to the host agency option. Additional options include incorporating the umbrella entity as a limited company or as a cooperative, which is a more equitable variation on a limited company.

### The Reality Check

Although the concept of collaboration frequently looks good on paper, it can be a very different experience in practice. Actual case studies of collaboration have revealed both anticipated and unanticipated outcomes for groups involved.<sup>2</sup>

At a time when many groups are facing funding uncertainty, careful consideration needs to be made regarding an organization's capacity to devote the necessary resources to the collaboration.

It is important that organizations fully appreciate the large amount of staff time and resources required. For example, executive directors involved in a co-location estimate that collaboration issues still continue to take up thirty to fifty percent of their time years after the initial implementation phase. One local consortium met for two years before they had satisfactory terms of reference in place. As one member noted, "I discovered that the process moves slower than one would like." Studies of mergers in the literature (the closest example to a co-location) also cite significant reductions in staff productivity during a merger phase.<sup>5</sup> Cost estimates for a merger can reach as high as \$40,000 if there are leases to break, new facilities to rent, letterhead to purchase, and labour adjustment costs. Moreover, anticipated cost savings may not appear for several years, if at all. Finally, sustaining the collaboration is just as important as implementing it. As Rosenbaum & Nichols note, "This is not a process which at some point ends happily ever after. It requires ongoing and repeated commitment of organization resources if it is to flourish and be maintained." Possibly the best piece of advice for organizations about to initiate a collaboration is to test out the alliance early with small, manageable projects that build trust, commitment, and credibility with stakeholders.

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pitfalls and barriers. The Appendices contain resource materials on youth participation, model bylaws, characteristics of a good chairperson or coordinator, setting measurable objectives and program evaluation.

Partners ...the Sum is Greater.  
Ottawa, Vive Communications.  
1997. 24 min. [Video 71].

This video highlights how three diverse business/nonprofit sector partnerships are harnessing a wide range of resources to promote economic and social well-being in communities across Canada. The partnership stories profile the Canadian Women's Foundation, Chevron Canada Resources and the Community Opportunities Develop-

ment Association (CODA). Individuals from the business, funding, community and social policy sectors share their perspectives on the benefits of partnership and the links between social and economic prosperity.

Pool Resources for Success. Remley, Dirk.  
Nonprofit World 16(5): 42-45. September/  
October 1998.

Pooling resources not only save money but also raise the nonprofits' visibility, increase their effectiveness, and gain support for their cause. In planning a successful alliance with another organizations, the following steps are helpful: start small; identify potential partners, develop a purpose statement, jointly establish short-term goals, be sensitive to each other's long-term goals, identify responsibilities, build on success, and define how to resolve conflicts. The author mentions 17 "tips for resolving conflict with your nonprofit partner."

Ready to Erupt: How Can Coalitions and Lead Agencies Avert Conflict?  
Novik, Neil. Nonprofit World 16(4):  
45-49. July/August 1998.

There has been a dramatic rise in collaborative, community approaches to improving family and community life. These initiatives are referred to as: coalitions, partnerships, comprehensive community initiatives or consortia. They are collaborative rather than hierarchical, and decision making rests more with the communities rather than with traditional levels of authority. The author mentions the potential for conflict, and discusses ways to keep conflicts at bay.

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Conclusion

The process of collaboration has been described as a journey where occasional wrong turns may be made but with valuable rewards.<sup>3</sup> With an open mind and awareness of some of the potential pitfalls, nonprofits can embark upon a process that can ultimately make their orga-

nizations stronger and more responsive to the communities they serve. Working together means working smarter, and that's good news for everyone.

<sup>1</sup>Carleton, J. R. (1997). Cultural Due Diligence. *Training*, 34(11): 67-75.

<sup>2</sup>Hutchinson, K. (1999). *Getting It Together: Collaboration Models for Community Groups*. Vancouver, BC: BC Council for Families.

<sup>3</sup>Winer, M., & Ray, K. (1994). *The Collaboration Handbook: Creating, Sustaining and Enjoying the Journey*. St. Paul, MN: Amherst H. Wilder Foundation.

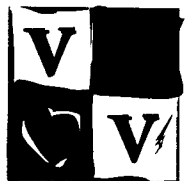
<sup>4</sup>James, M., & Rykert, L. (1997). *Working Together Online*. Toronto, ON: Web Networks.

<sup>5</sup>Singer, M. I., & Yankey, J. A. (1991). Organizational Metamorphosis: A Study of Eighteen Nonprofit Mergers. *Nonprofit Management & Leadership*, 1(4): 357-370.

<sup>6</sup>McClintock, N. (1996). Weathering change out west. *Front & Centre*, 3(1): 12-13.

<sup>7</sup>Rosenbaum, I. S., & Nichols, R. C. (1981). Collaboration Between Two Agencies: A Report of Work in Progress. *Journal of Voluntary Action Research*, 10(3-4):78-84.

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