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Partnering for Progress

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PARTNERING FOR PROGRESS¹

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We have entered the Age of Alliances. As nonprofits move into the 21st century, allying with other organizations will not simply be an option, it will be an imperative.¹ It will be the rule rather than the exception. The nonprofits refer to themselves as the Independent Sector. That is becoming a misnomer. Interdependence rather than independence is the more accurate descriptor. The traditional boundaries between the nonprofit, business, and government sectors are becoming blurred. The respective societal functions and responsibilities are increasingly overlapping.

The fundamental question is not what can nonprofits, businesses, and governments do, but rather how can society most effectively organize itself to deal with major social problems. If we are to think creatively and freshly about this question, we must escape from the mental prisons of our traditional institutional perspectives. We must look outward to each other and seek out new forms of collaboration, interaction, and organization. To that end, this paper provides an overview of some of the key issues and approaches surrounding the challenges of “partnering for progress.” We shall examine the why, what, who, when, and how of constructive collaboration.

WHY COLLABORATE?

The imperative for collaboration stems from the rapid, structural, and probably irreversible changes being thrust upon us by powerful political, economic, and social forces.

POLITICAL FORCES. There has been a major rethinking in the role and size of government. The era of big government, or at least bigger government, is coming to an end. No longer can we look to the federal government as the main problem solver. Credibility in government has diminished; the limits of the State have been acknowledged. The Great Shrink is on. The downsizing of government and the shedding of federal responsibilities has triggered a massive devolution of social functions from the federal to the local levels and from the public to the private sector. This shifting of responsibilities is greatly increasing the demands on the nonprofit sector.

ECONOMIC FORCES. Government downsizing is driving and driven by fiscal austerity. The political mandate for a balanced budget created the economic imperative of massive spending cuts. Traditional federal funding levels of nonprofits have been dramatically slashed. And it will only get worse. The federal government has been the biggest funder of nonprofits, but the wealth well runneth dry. So at the same time as new

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responsibilities are being thrust upon the nonprofits, the resources are disappearing. They are being asked to do more with less.

SOCIAL FORCES. Finally, the magnitude and complexity of our social and economic problems have expanded. They are outpacing the institutional as well as economic capabilities of individual nonprofit organizations to deal with them. The Commons have gotten more complicated and their Keepers less clear.

The bottom line is that “going it alone” is on the endangered strategy list. Only by combining vision, efforts, and resources creatively will nonprofits be able to confront effectively the magnitude of rising demands facing them.

WHAT TYPES OF COLLABORATION?

These macro political, economic, and social forces create the overall pressures to collaborate, but there are specific types of collaboration gains that motivate partnering among organizations. It is important to identify the basis for the collaboration. There are nine main, non-mutually exclusive types.

AUSTERITY ALLIANCES. These are the cost-cutting collaborations created in response to financial imperatives. The goal is to eliminate duplicative costs and/or excess capacity through shared facilities, services, or activities. This has been a particularly powerful driver in dealing with the growing cost-reduction pressures in the healthcare field. Three medium-sized nonprofit hospitals in a Chicago suburb created a jointly-owned nonprofit to acquire and operate a magnetic resonance imaging facility, thereby reducing their capital outlays on equipment that would have gone underutilized had it been purchased and operated individually.ⁱⁱ In North Carolina, the nonprofit Presbyterian Hospital and the for-profit Orthopedic Hospital owned by Health Trust, Inc. created a 50-50 joint venture. Presbyterian transferred its orthopedic services and equipment to the joint venture and Orthopedic consolidated its emergency service with Presbyterian. Presbyterian saved \$1-million in inventory and operating costs and Orthopedic obtained new managed care contracts and saved laundry and laboratory costs by contracting with Presbyterian.ⁱⁱⁱ The Children’s Trust Fund and United Way of South Carolina combined boards, staff, and offices as a way to economize on facilities cost, payroll, and volunteer time and to magnify the impact of their similar operations.^{iv}

CRITICAL INPUT COMBINATIONS. The core concept here is “inescapable interdependence.” No single entity has all the inputs necessary to address effectively an identified social need. You can’t do it alone and succeed, so collaboration becomes a prerequisite to effectiveness. In Guatemala the Institute of Nutrition for Central America and Panama had the scientific knowledge to identify a serious vitamin A deficiency problem in the population.^v It worked with the National Association of Sugar Producers to incorporate a nutrient fortification process into the sugar mills’ production system. The government passed the requisite laws and the Ministry of Health monitored compliance. The collaboration has contributed to a reduction in vitamin A-related eyesight deficiency.

SYNERGY-CREATING COMBINATIONS. Here one brings together entities with complementary capabilities. Each could perform the services, but by combining efforts the impact is increased. The whole is greater than the sum of the parts. In Saint Paul, Minnesota, Neighborhood Energy Consortium, a nonprofit that handles the city's recycling system, agreed to add used clothes to their collectibles, which were then redistributed by Goodwill through its stores, which increased their goods flow while saving on collection expenses.^{vi}

SCALE-EXPANDING CONFIGURATIONS. These alliances combine and or extend the markets or client bases or purchased inputs of similar organizations. The resultant volume increases enable them to realize economies of scale. These are aimed at capturing savings but do expand the visibility and sphere of impact, potentially enhancing image or credibility. Small and large public and private employers created the Midwest Business Group on Health as a healthcare purchasing cooperative through which their collective economic power achieved discounts on health services.^{vii} The ABC and PBS television networks combined their audiences, images, and broadcasting capacities to form the partnership Project Literacy U.S. for the purpose of increasing awareness on how to link up illiterates with literacy organizations.^{viii}

SCOPE-ENHANCING CONFIGURATIONS. These collaborators bring together different types of services to an existing client base. This enables the alliance to meet a broader range of client needs that could produce a greater impact. This enhanced breadth of services might increase the convenience and utility of the organization and thus attract more clients to the combined entity. In Denver the Osage Initiatives Project brought together in a single center five nonprofits providing distinct services to low-income and welfare recipients. While remaining as autonomous entities, they created a collaborative one-stop assistance center offering literacy training and GED preparation, affordable housing location, office skill development, and financing for new businesses. The nonprofits economized through shared facilities and provided greater service to their common clients.^{ix}

CRITICAL MASS CONSTELLATIONS. In these arrangements the cooperating groups are not necessarily bringing different types of resources to the table, but all share a common concern about the particular problem. They come together in order to have enough collective confidence, knowledge, financial resources, or political power to enable them to carry out effective action. For example, the Kresge Foundation wanted to foster the renewal of Detroit and concluded "that the best approach was to help form a partnership that would leverage the resources of many funders representing different sectors."^x The Foundation's \$3 million pledge attracted an additional \$10.5 million from other sources to create the Detroit Community Development Funders' Collaborative.

INVESTOR PARTNERSHIPS. This is a different type of relationship than the traditional one of donor dependence. It recognizes that the days of passive giving are fading and that corporate and foundation funding will increasingly be strategic investments rather than charitable contributions. This requires the nonprofit to identify investors' priorities and how it can best contribute to the investors' enlightened self-

interests and vice-versa. Susan Berresford, President of the Ford Foundation, observed that traditional partnerships often meant either “ ‘give us resources with no strings attached’ or ‘give us clear results fast and tie them to our name.’ We need to broaden our vision of partnership to embrace a healthy respect for the needs and constraints of our partners. We also need to be aware of the variety of resources each partner may bring.”^{xi} The “investor relationship” involves higher accountability, two-way benefit flows, and a longer-time frame. Cause-related marketing agreements, for example, between nonprofits and corporations represent reciprocal investments in the company’s and the nonprofit’s respective “brand franchises.”^{xii}

COMMERCIAL ENGAGEMENTS. Nonprofits are frequently government contractors, but corporations and nonprofits can also be customers. Accounting firms, banks, insurance companies, etc. service nonprofits’ operating input needs. Nonprofits are finding increasing ways to service corporations, e.g., in the Philippines when one of the country’s largest and oldest corporations had to downsize for the first time in its history, it contracted with a local nonprofit with social service skills to provide outplacement and counseling services to the ex-employees. The corporation did not have this expertise and also wanted to create an institutional wall between the company and the released employees to facilitate the separation process. For the nonprofit this represented a new source of income and an additional arena in which to address a pressing social need caused by economic dislocation. Nonprofits in the U.S. provide, for example, childcare for corporate employees, motivational training, or community service programming.

EXPERTISE LINKAGES. Here the nonprofit is allying with a provider of expertise. This is a knowledge relationship more than a funding relationship; it involves an application of the group’s or individual’s special skills that are critical to the nonprofit. The nonprofit provides a social outlet opportunity for the expert and leverages that input to generate greater value added. For example, the National Foundation for Teaching Entrepreneurship created a partnership with Microsoft to run summer workshops for at-risk teenagers wherein Microsoft executive volunteers working with NFTE staff taught students how to use computer technology to manage and grow new businesses. Hundreds of partnerships between corporations and public schools involve mentoring activities by corporate volunteers. Xerox engineers and scientists, for example, visit classrooms to demonstrate what scientists actually do and to foster interest and competency in science.^{xiii} The principal of a Houston high school observed that the Tenneco employee mentors “have given us more than time and talent...they have introduced a value system that shows how important it is to give back.”^{xiv}

WHO SHOULD PARTNER WITH WHOM?

When you look at who’s out on the dance floor, you see that the partners come in all sizes and shapes and are engaged in the various types of dances just described. Although there are issues common to all types of alliances, it is worth noting some of the distinctive partnering complexities and challenges that may arise because of the specific types of partners.

NONPROFITS WITH NONPROFITS. Relationships among nonprofits is often categorized as being quite different than the competitive interplay among for-profits. Although a collaboration mindset might be fostered by shared common missions of helping a particular needy group, competition is quite vigorous among nonprofits, particularly for funding. The shrinking of governmental funds and the proliferation of new nonprofits is intensifying this competition and threatening the survival of many. Economic imperatives call for a rationalization in the nonprofit industry. Like their for-profit counterparts, many nonprofits will need to restructure and downsize in order to remain viable. An integral part of this strategic process should be a dispassionate analysis of the feasibility of continuing to go it alone. It may well be a luxury that can no longer be afforded. This requires a careful scrutiny of which “competitors” would be the best partners. Among the difficult issues in full-scale mergers are loss of identity and organizational positions. These issues are perhaps more intense than in corporate mergers because of the generally greater emotional investment that staff, board and service volunteers, and donors make in a nonprofit. Unlike corporations, nonprofits have no “owners,” so these multiple stakeholders have a greater say in a merger process.

For less than full mergers, “competing” nonprofits will have to strive harder at identifying the “cooperation commons.” This requires focusing more on the shared mission rather than on competing for the common donors. For example, on the island of Martha’s Vineyard three major conservation organizations joined together in 1997 to formulate a common strategy for accelerating the acquisition and preservation of undeveloped land, which is quickly disappearing. Rather than “doing their own thing” and touting their special projects as a means to elicit greater funds from an overlapping donor pool, they let the power of their common mission and the opportunity to magnify their collective impact through coordination be the driver of their actions.

NONPROFITS WITH GRASSROOTS GROUPS

Many nonprofits function primarily as organizational intermediaries, for example, the United Way links institutional and individual donors to recipient organizations. Beyond these specialized linkers, however, many direct service nonprofits interface with neighborhood associations, other community or “people’s organizations,” or beneficiary groups. These groups are usually not formally incorporated nonprofits but they often do constitute important social groupings at the local level.

In many U.S. inner cities, nonprofit organizations work with youth gangs who represent a significant social institution for an important target group. Nonprofits concerned with community security create alliances with neighborhood crime watch groups and local police departments. In developing countries, many nonprofits, sometimes referred to as “Grassroots Support Organizations,” play important roles in providing direct services to local groups and in helping build their own organizational capabilities.^{xv} In Pakistan, a nonprofit, the Orangi Pilot Project, worked with the residents in the Karachi slums to improve the sanitation systems through self-help efforts. The nonprofit helped form and then collaborated with neighborhood organizations, which were able to mobilize the people to work together to build latrines and sewage systems.

This alliance between the intermediary nonprofit and the grassroots groups was able to elicit support from international development institutions and from previously recalcitrant government agencies.^{xvi}

Among the issues arising in alliances between nonprofits and grassroots groups is the power imbalance. A more powerful nonprofit needs to be careful not to dominate and excessively control the local group or to create a paternalistic dependency. The strengths of the grassroots organizations lie in their capacity to unleash local energies and creativity. To achieve and sustain this, they must be sufficiently empowered in the decision-making and operating processes such that they assume ownership and take on leadership. Another complication is the informality of the organizational structures of local groups. This may mean that the process of creating an alliance may entail greater transaction costs. Grassroots groups' leadership structure may be more ambiguous, thereby creating the need to consult more broadly. Certainty and continuity of agreements may require more follow up because of limited administrative capabilities and resources as well as turnover. Inherent in the alliance process is the requirement for institutional capacity building for the grassroots organization by the nonprofits.

NONPROFITS WITH FOR-PROFITS. A significant issue that arises when nonprofits create alliances with businesses is the potential conflict of goals. Will the nonprofit's social purpose be distorted by the for-profit's economic interests? This tension between mission and market can even exist within a nonprofit when it operates a for-profit activity as a source of earned income. For example, will the art museum's gift shop and mail order catalog and brand licensing overshadow its primary concerns of arts education and preservation? Will the playhouse's goal of fostering innovative new works be crowded out by the financial imperative of offering well-known plays that will attract large paying audiences? Will the corporate sponsor's need to create visible brand recognition lead to commercial promotional materials that damage the esthetic of the art event? Also of concern is whether or not the activity will jeopardize the nonprofit's tax exempt status. This will depend on the extent that the activity fosters the nonprofit's social mission and whether the nonprofit officers have adequate say in the joint venture's governance process to ensure mission compliance. Cathedral Healthcare System, a nonprofit hospital operator, created a revenue-producing fitness center as a 50-50 joint venture with a for-profit business that operated such corporate centers. The complementary institutional capabilities created synergies and this scope-enhancing new activity fit well with the nonprofit's mission of improving the quality of life through its continuum.^{xvii} In full mergers the interests of the "public," as another stakeholder, is also sometimes represented by the state government as the authorizing authority. Many state's attorney generals have been playing key roles recently in deciding on the terms of mergers of nonprofit and for-profit hospitals to ensure that the public will continue to benefit from the merged entity.

Another issue is the organizational and cultural fit between the partners. The Nature Conservancy entered into an historic joint land management agreement with the Georgia Pacific Corporation of its 21,000 acres along North Carolina's Lower Roanoke River. This would preserve precious habitat while simultaneously allowing controlled

timber extraction. John Rasor, Georgia-Pacific Sr. Vice President of Forest Resources commented that ten years ago “the concept of a cooperative partnership wasn’t even on the screen. However, in our environmental ‘journey’, we have recognized that environmental stewardship is an important element in how we manage our mills and our 6 million acres of commercial forestland. Cooperative partnerships and proactive alliances are a growing part of our environmental strategy and commitment to sustainability.”^{xxviii} Georgia-Pacific’s timber people and The Nature Conservancy’s conservationists had to overcome long-standing stereotypes and prejudices in order to create a new vision of shared interests and mutual respect. As one of the G-P managers said, “We had to learn a new way to communicate.” They created joint management committees to deal with issues that arise and they have a legal agreement with arbitration mechanisms in case they can’t agree. Georgia-Pacific benefits from the Conservancy’s scientific expertise and its credibility. John Sawhill, CEO of The Nature Conservancy, pointed out another key issue in such collaborations: “We value most our reputation. If we tarnish it in a partnership, we jeopardize our membership support and revenues.” The reputation risk is, however, two-way. A scandal at a nonprofit can also tarnish the collaborating corporation.

A final issue is having commitment parity and compliance capability. This is particularly important when the company and the nonprofit have entered into a very deep relationship, such as that between Timberland Corporation and City Year, a national corps of young adults engaged in community service. Community service is an integral part of Timberland’s corporate strategy and its partnership with City Year is the nearly exclusive focus of that service. Jeffrey Swartz, Timberland’s Chief Operating Officer, expressed the partnering challenge this way: “The focused strategy puts a lot of pressure on both partners. It changes the traditional equation of the public-private partnership. The strategy says that the organization you chose to partner with needs to have the same commitment to powerful notions and the same ability to deliver on these powerful notions as you do. If they are not at the same level, the equation falls apart and the relationship doesn’t work.”^{xxix}

NONPROFITS WITH GOVERNMENT. In the U.S. the government is the major funder of nonprofits, which have become key instruments for implementing public policies and programs.^{xx} But these traditional and generally contractual financial relationships are under stress. A starting point is to categorize your existing financial relationship with the government: a fee for service provider, a categorical grant recipient, a program beneficiary, a specific-project implementor. One should assess the probability of continued funding in these existing categories at current levels for the next 3 years. If the projection reveals serious deterioration, then funder diversification is in order, but also new and more entrepreneurial collaborative arrangements with governments need to be created. One avenue for considering these is to assess what needs governments have to which your competencies might be relevant. This might reveal new areas of activity and access to different streams of funding. One can also inventory what non-budgetary resources government has that might be relevant to your needs.

In New York City several arts groups that were in dire need of low income studio space, identified that the city government was greatly concerned about revitalizing deteriorating parts of the city. They also ascertained that the city had become owner of many buildings that had been forfeited due to tax delinquency. They therefore collaborated with the government to renovate the buildings in return for low lease rates or modest purchase prices.^{xxi}

It is worth noting that the interface between nonprofits and governments varies among countries. In contrast to the U.S., in China the government closely guards its power and control over social functions. Private nonprofit organizations are relatively scarce and tightly controlled by the State. Control rather than collaboration prevails. In the Republic of South Africa the new government appeared to have an ambivalent attitude toward the nonprofits, referred to as nongovernmental organizations or NGOs. The new government needed to establish itself as capable of carrying out the social responsibilities and tended to see NGOs as competitors for credibility and foreign assistance funds. In contrast, in the Philippines when the People's Revolution ousted the Marcos regime, President Corazon Aquino promoted and supported NGOs as the best form of democratic empowerment of the people. The challenge for many of the Filipino NGOs was how to convert their mission and functions from that of opposing the previous Marcos government to that of collaborating with the new government.

BUSINESSES WITH BUSINESSES. Corporations engage in social purpose undertakings, often by creating nonprofit vehicles, and thus also enter into our collaboration configurations. The key issue for this partnering is to find a common concern about a pressing problem afflicting society that is also relevant to the businesses. They join together to enable lateral learning and create critical mass for the initiative. For example, corporations joined together to create the National Commission on Aids Partnership to help address a problem affecting the country's workforce. Business Committee for the Arts was created as a coalition of corporations engaged in supporting the arts as part of their strategic philanthropy. In Cleveland the CEOs of the major corporations joined together to create a nonprofit leadership group, Cleveland Tomorrow, to stimulate development actions that have been central to revitalizing their city.^{xxii} Rosabeth Moss Kanter's research identified similar productive business collaborations in Spartanburg, South Carolina and Miami, Florida.^{xxiii}

These business alliances, in turn, often become vehicles for partnering with nonprofits. In 1985 food industry business leaders created the nonprofit Food Industry Crusade Against Hunger aimed at alleviating hunger by fostering long-term, self-help solutions in the U.S. and abroad. About the same time Food For All, a consumer supported nonprofit, was set up with similar goals. Both organizations have grown and been quite successful. In 1997 they merged to attain savings through administrative consolidation and to increase effectiveness through expanded coverage and combined competencies. One of the board members who strongly supports the merger and its potential commented on the complications of such fusions: "Part of the struggle was meshing different organizational cultures. One comes out of a business mindset and the other a social activist orientation. The process can be threatening and acrimonious with

much miscommunication, but the patience and experience of the leaders will see it through.”

Businesses social sector activities can also play an important role in determining and reinforcing compatibility of corporate cultures in mergers. A senior manager from McDonald & Company, a major Cleveland-based financial services firm, pointed out how the community service culture helped the company absorb a merger: “There have been so many changes -- we've grown so fast over the past few years, including a 1991 merger. I think our community involvement has helped us maintain our family culture as much as possible. For instance, in Cincinnati where we merged, they have a community service program. They started it up and it brings our two cultures together, because we have two different cultures. They're more conservative than we are, and so there have been differences in the organizations as well. But that is one of the commonalities. I think it's been a common bond.”

TRIADS: NONPROFIT-BUSINESS-GOVERNMENT. Although one might fear such a triad as the institutional equivalent of the Bermuda Triangle, each of the parties often brings critical inputs that enable the undertaking to occur. In Kenosha, Wisconsin cranberry mash from the Ocean Spray processing plant and litter from the Maple Leaf Duck Farms are brought to the government-run landfill where they are mixed together to create a soil conditioner.^{xxiv} The Kenosha In Neighborhoods nonprofit then sells this compost to city gardeners and applies it to public green spaces using inner-city youth hired to transform abandoned lots. In St Louis the Public Housing Authority joined with the nonprofit Neighborhood Housing Services and the Neighborhood Reinvestment Corporation to renovate, finance, and sell inner-city houses to low-income residents. Commenting on a similar undertaking, the head of the Pittsburgh Housing Authority stated, “Expectations of the public outstrip the government’s ability to deliver. The partnership helps us leverage our resources. It is bringing the private, public, and not-for-profit sectors together to expand support for our neighborhoods.”^{xxv} Among the concerns with triads is the increased complexity due to larger size, institutional heterogeneity, and goal non-congruency.

There is also the risk of political explosions, as illustrated by an inner-city development project to build a Pathmark supermarket in Spanish Harlem. This was a joint effort between Pathmark and the Abyssinian Development Corporation, the nonprofit development arm of the Abyssinian Baptist Church, with funding from a coalition of private financial institutions and the heavy involvement of the city’s economic development institutions.^{xxvi} It became derailed when local Hispanic politicians, responding to the complaints of a neighborhood super market owner, opposed the project and the fact that the developer was an African-American group, rather than Hispanic. The mayor became heavily involved because of concern about servicing the Latino block, which had supported him in the last election. The project took over six years to carry out.

COLLABORATION COALITIONS. Sometimes the magnitude and complexity of the problem and its solution requires more than the diad and triad combinations. Then the

power of complex institutional coalitions is needed to achieve impact. The Child Vaccination Program in New York City provides a good example. The Children's Defense Fund triggered the coalition by setting forth the mission of educating parents about the life-saving effects of early child immunization. The basic strategy was to create city-wide public awareness and community mobilization in high-risk neighborhoods. From the government the mayor, borough presidents, city councilmen, state assembly representatives, congressmen, and the commissioner of health provided highly visible political support for the initiative. The New York City Department of Health printed 100,000 flyers and 20,000 posters in English and Spanish and posted them at the street entrances to 200 subway stations and also staffed an 800 information hotline. The New York City Health and Hospitals Corporation printed and distributed flyers in five languages. The Transit Authority provided space for 13,000 posters in the subways and 4,500 in buses. The Board of Education School Health Services provided program materials to all the schools. The City's Human Resources Administration sent information to all public assistance check recipients, displayed posters in all welfare assistance and day care centers. The Housing Authority printed and distributed information to all residents.

From the business community Chase Bank provided grant funding, solicited contributions through mailing enclosures in its bank statements, put posters in its branches, and provided employee volunteers. Advertising and public relations firms provided pro bono services. Twenty-one radio and television stations broadcast public service announcements. About 80 newspapers and magazines printed articles. Ronald McDonald Children's Charities distributed informational tray liners, bag stuffers, and posters through the city's 250 McDonald's restaurants. ConEdison put the campaign message in its customer statements and contributed financially to the project. NYNEX provided multilanguage telephone lines and donated funds. The Empire State building was lit up in blue to honor the program. Others provided funding.

From the nonprofit sector the United Way provided funding. Unions printed flyers and provided volunteer labor. Dozens of nonprofits and community organizations helped in neighborhood fairs, parades, and information dissemination. Even the Major League Baseball Players Association and many New York Yankees participated in these outreach fairs. Was anybody not on the dance floor!

This was serious square dancing: many partners, multiple patterns, and demanding coordination. Among the issues arising here are: How many partners to have in a single or multiple collaborative undertaking? How complex will they be? How big are the transaction costs? What is our organizational absorptive capacity? How strong are our collaboration management skills? How much time and resources can we dedicate to the collaborations? And lastly, Who will be the driving force behind the coalition? Behind every collaboration, big and small, there are "Alliance Entrepreneurs" who provide vision, motivation, and energy to launch, nurture, and propel the new venture.

WHEN TO COLLABORATE?

From our previous sections we could answer this by saying: do it when the benefits of partnering outweigh the costs and when your organizational capacity is adequate to manage the relationship effectively. However, it is also useful to examine it from the perspective of the type and frequency of the engagement relationships, which reveals different levels of interaction intensity.

ONE-TIME DANCE. This is particularly appropriate for those organizations who have yet to enter into collaborative undertakings and who might have understandable reservations. The timid should perhaps heed Dr. Seuss's wisdom in urging the reticent diner to taste the Green Eggs and Ham: "Try it, Try it. You will see, you might like it, yes indeed." Have a fling! Be opportunistic! For example, one Canadian nonprofit agreed to work with a real estate developer to inaugurate a new shopping complex with a gala entertainment event, the proceeds from which would go to benefit the nonprofit.^{xxvii} It was seen as a one-time only undertaking, but it gave both sides experience working with an organization from another sector in a mutually beneficial way. And it might even lead to a second dance.

OCCASIONAL DATES. Where the parties find that they have continuing shared interests, they might enter into periodic joint undertakings. For example, one corporation and a nonprofit serving the homeless undertook an annual winter coat drive. This was a peripheral collaboration: useful to both but not central to either. Such instrumental alliances arising from intersecting self-interest occur on a clearly delimited collaboration terrain with an undertaking worthy of repetition.

GOING STEADY. When you have found an attractive collaborator with serious possibilities and intentions for a deeper relationship, then it is advisable to engage in a steady pattern of increasing collaboration. This incremental additive approach serves as a compatibility test and as a discovery process aimed at identifying desirable partnering opportunities and effective collaboration configurations.

PERMANENT BONDING. At this level the scary "M" word enters: Marriage (or Merger, if you prefer a different analogy). This would occur when the relationship and the joint activity are central to each organization's mission and strategy. Both will be significantly strengthened by the collaboration and the mutual gains are expected to grow. The seriousness of this relationship means that you shouldn't do it until you are certain. It should be noted that polygamy is permitted, but managing multiple relationships is complicated.

HOW TO COLLABORATE?

Partnering is not a panacea. Nor is it easy. But it does hold high potential for addressing many of the demands of the increasingly complex and difficult environment confronting nonprofits. From the growing knowledge about alliances,^{xxviii} we can identify

some ingredients that contribute to successful partnering. These guidelines can be distilled into the “Seven C’s of Constructive Collaboration.”

CLARITY. The cooperating parties must be clear about the purpose of the alliance. Vagueness or ambiguity will cloud the vision of the undertaking and may breed confusion or even conflict. The parties should jointly prepare a written “Collaboration Purpose Statement.” Both the process and the product will benefit the partnership.

COMPLEMENTARITY. You should be sure that the collaborators’ respective resources are truly complementary, such that their combination will produce significant additive gains. Identify what it is that you are able to do together that you could not have accomplished separately. It is useful to specify the individual and joint gains generated by the collaboration. Without mutuality of benefits the relationship will be fragile or fractious. Balancing the power relationships is a delicate act. It is important to understand what benefits your partner expects and strive to ensure that those are attained.

COMPATIBILITY. The partners should share common or compatible goals and value constructs. The respective organizational cultures may be similar, but certainly there will be differences. Compatibility does not require congruence, but the organizations must be accepting of the differences, because from the diversity flows much of the mutual gain. The individuals, at a minimum, need have respect for each other, and, hopefully, can establish deeper bonds of friendship.

COMMUNICATION. The cancer of collaboration is silence. The cure is communication. So communicate, communicate, communicate, formally and informally, broadly and deeply. When people start to holler “Enough, already!” do it one more time, and then it probably will be. You may have to learn and use the “foreign language” of your partners to ensure understanding. Then walk your talk. It is the actions supporting the words that create trust, and trust is the intangible SuperGlue holding alliances together.

CREATIVITY. It is important to delineate respective responsibilities and interaction procedures, but it is impossible to spell out all the rules. Alliance management is a discovery process that often involves managing the unexpected. New organizational and operational territories are being explored and charted. Standard operating procedures don’t necessarily exist or even apply. Consequently, entrepreneurial creativity and an openness to joint learning are called for. Redesigning and restructuring the collaboration may be necessary.

COMMITMENT. Creating and managing a partnership is tough work. To assume otherwise is to risk undercommitment. The collaborators need to be deeply predisposed to making it work: solving problems, overcoming inevitable conflicts, managing complex organizational dynamics and human relationships.^{xxix} It requires patience, perseverance, and passion.

COURAGE. Collaboration entails risk. It is easier to remain unchanged than to engage with others to forge new paths and create vehicles to foster change. Partnering requires

relationship risk-taking. It is not for the weak of heart nor the timid of spirit. The burden and the beauty of the brave are that they push outward the frontiers of our possibilities. It takes courage to create an alliance, but it also takes courage to end one. Alliances are not necessarily forever. The value-added of a collaboration should be assessed on an ongoing basis, and then one should heed the words of the old poker player: “You have to know when to hold them and know when to fold them.”

The predominant organizational paradigm for the next century will be rooted in collaboration. Conceiving, creating, and managing alliances will be a major challenge and opportunity for social enterprise leaders. Partnering for progress will be the strategic path of choice and Alliance Entrepreneurs will be the catalysts driving us forward.

ⁱ Rosabeth Moss Kanter, in her Davos '98 lead article, identified alliances among corporations as a key trend and imperative in the 21st century, “Six Strategic Challenges,” World Link, January/February 1998

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ⁱⁱⁱ Frank Cerne, “Joint Venture With a For-Profit?” Hospitals & Health Networks, July 5, 1994

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^v Alison Raphael, “Sugar Fortification in Guatemala,” UNICEF, 1995

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^{viii} Donna Sizemore-Elliott, “Developing Public-Private Partnerships,” Public Relations Journal, December 1990

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