

Epilogue. Partnering: An Additional Perspective

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This book on partnering was produced by a partnership. The Social Enterprise Knowledge Network (SEKN) was created as a research and institutional development collaboration among leading business schools in Latin America and the Harvard Business School with the support of the AVINA Foundation. In the past two years, not only have we learned a good deal about the organizations studied but SEKN's activity has also proved to be a rich laboratory on the process of collaborative knowledge creation on a continental scale. As a way of providing an additional perspective on the partnering principles that we have been exploring in the previous chapters, we conclude this collective effort by sharing some reflections on our own partnering experience. The SEKN collaboration differs from those studied in the book because it is a partnership among NGOs rather than between NGOs and businesses. Therefore, examining it offers an opportunity to explore the extent to which the collaboration process and principles found in building cross-sector partnerships applies to an intra-sector alliance. We will revisit our experience through the basic components of the partnering process set forth in chapter one and elaborated in the rest of the book: Crossing the Bridge, Achieving Alignment, Creating Value, and Managing the Relationship. We will also take a forward look at the Growth and Innovation dimension of the alliance.

Crossing the bridge

Collaborations emerge to meet needs perceived by potential partners. In the case of SEKN, the original perception of an unmet need emerged from conversations between the chair of the Harvard Business School's (HBS) Initiative on Social Enterprise (ISE) and colleagues at

other business schools in Latin America as well as with Latin American business and NGO leaders. This dialogue identified a pressing need in Latin America for enriched management education that increases the inclination and capabilities of current and future business leaders to engage effectively in the social sector so as to foster sustainable development. There is a parallel and equally urgent need to strengthen the managerial capacity of leaders of non-governmental organizations that are key implementers of socioeconomic change and betterment. Societies will achieve meaningful progress when there is a dynamic and responsible business sector and a vigorous and capable civil society. Furthermore, development possibilities are even greater if these two sectors are able to join forces in collaborative undertakings. Schools of management were seen as potentially playing a critical role generating the knowledge and providing the managerial training required to meet these human resource development needs. To respond to this need on a hemispheric scale there emerged the vision of a collaborative undertaking among leading business schools, with the purpose of not just conducting research together, but actually producing teaching materials that would allow each institution to fulfill its educational mission.

Because the collaboration was within a single subsector, higher education in management, there was greater industry knowledge, social and professional connections, common academic language, and similar cultures. Thus, many of the barriers present in the cross-sector collaborations studied in the book were either not present or reduced in importance. Nonetheless, the founding members of SEKN did have to overcome geographical, cultural, economic, and institutional differences. As in the creation of most alliances, there is an initiating entrepreneur, in this case the Chairperson of the Harvard Business School Initiative on Social Enterprise. The task of connecting with other business schools was facilitated by his long-standing personal and professional relationships with professors at several Latin American schools. In many instances there was a reasonable amount of knowledge about potential partner schools and a high enough level of mutual respect and trust to have frank conversations with

colleagues at these schools about the desirability and feasibility of creating a network. In countries where the ISE Chair did not have preexisting relationships, the Director of the HBS Latin America Research Center (LARC) used his relationship network to create the connection.

While personal connections provide access and a point of contact to engage in dialogue, the prospect of entering an inter-institutional alliance, be it cross-sector or intra-sector, elevates the organizational stakes. SEKN was not simply a possible research project involving a couple of professorial colleagues, but rather a more ambitious undertaking involving significant institutional commitment. In a higher stakes collaboration situation, institutional rather than just personal credibility becomes essential. The Harvard Business School's internationally recognized role in management education coupled with the physical presence it established in the region through the HBS Latin America Research Center¹ provided this additional dimension. Another asset more specifically related to the collaboration was HBS's experience and intellectual capital in mounting its Initiative on Social Enterprise begun in 1993. HBS was offering to share that knowledge and teaching materials with its potential partners to enable them to engage more deeply in this arena. Analogously, the potential Latin American partner schools had credibility through their reputations as leading management education institutions in their countries. A few also had considerable experience in research and training of NGO leaders. The resources of the SEKN member schools were greater than NGOs in general, thereby further facilitating the collaboration process.

The fact that all participating institutions came to the table preceded by their individual reputation as centers of academic excellence made possible the emergence of a collegial environment, characterized by mutual respect, which facilitated the early discussions leading to a shared vision. Also, several of the leaders from the different schools had worked together previously in various undertakings and these personal relationships fostered the coming together. Among the barriers identified in this early stage, however, were the institutional differences.

Although being similar facilitated the collaboration, some of the SEKN members were exclusively business schools and others were part of larger universities private and public, which required time to understand each other's organizational context. An additional difference was the fact that while some schools were experienced in the case study approach to teaching and research, others had little experience. As the network had embraced the case method as its methodology of choice, a decision was made early on to make an up front investment to level the field and equip all parties with the capabilities that will be required to pursue the network's mission. To that end, SEKN faculty were invited to participate in an HBS teacher training program, the Colloquium on Participant Centered Learning in Boston, together with other professors from outside the United States. Additional training on case writing was carried out in the SEKN research workshops held approximately every six months. This process is analogous to the institutional strengthening that we saw was sometimes necessary in the business-NGO alliances we studied.

In designing all types of partnerships, it is important for partners to clearly communicate their needs. In the dialogue with the Latin American schools, it became evident that in order to mount a serious research and training effort in Social Enterprise substantial financial resources would be needed to support faculty and administrative research teams. To meet this need HBS began a dialogue with the AVINA Foundation, which specialized in Latin America and had a particular interest both in the role of corporations in promoting sustainable development and in assisting social sector leaders. AVINA's top leaders saw SEKN as a new approach to strengthening the social contributions of both business and social sector leaders and thus agreed to enter as a full partner to provide matching grants to each of the schools that entered into SEKN. The partnership was envisioned as six years in duration consisting of three two-year research cycles, with additional schools joining SEKN for each cycle. The AVINA funds provided a critical enabling resource, and the foundation's matching requirement increased each

school's institutional commitment to the undertaking. AVINA also offered its experience and network of contacts with business and NGO leaders as additional assets relevant to the work of the Network.

In the emergence of NGO-business alliances discussed in this book we saw that underlying motivations were often a mixture of altruism and utilitarianism. In the creation of SEKN all of the partners were NGOs and so the altruistic motivation of strengthening the capacity of nonprofit and business leaders to create social value and better society was predominant. Additionally, however, from a utilitarian perspective, the schools saw the Network as a vehicle for enhancing their institutional capabilities, developing new programs, and strengthening ties with social and business leaders. For some it was also seen as another way to differentiate further their school and create some competitive advantage.

Achieving alignment

We have seen from the previous chapters that achieving an alignment of partners' mission, values, and strategy with the collaboration is essential to creating a strong strategic alliance. The strength of the alignment can come from breadth of connection across mission, values, and strategy, and also from depth of connection through profound congruency on one or more of these three dimensions.

Mission

In general, intra-sector collaborations have a greater chance of mission compatibility than cross-sector alliances because they all are engaged in the same basic activity, in this instance higher management education. But not all business schools have the same mission. The founding members of SEKN, however, shared a strong alignment with the Network's mission because

seeing social enterprise as an integral dimension of the School's mission was a prerequisite to entering SEKN. Confirmation of this mission fit was ratified in conversations with the top leadership of each School. The premise was that social enterprise must be seen as central to a school's core purpose if it is to receive the level of organizational support required to achieve meaningful impact.

SEKN's experience constitutes an example of the dynamics of cross-fertilization, where deep and intimate interaction sometimes lead partners to redefine their organizational identity, becoming more alike to each other and building a deeper alignment. Moved by the experience of working in a closely integrated network devoted to social enterprise, at least one of the participating institutions is considering reformulating its mission, so as to give the social component a more prominent place.

Building on the commitment from each institution's top leadership, SEKN teams and team members collectively shaped the following mission statement, which captured and formalized the alignment of missions between all participants:

To advance the frontiers of knowledge and practice in social enterprise through collaborative research, shared learning, case-based teaching, and the strengthening of management education institutions' capabilities to serve their communities.

Values

Although the core values of each institution varied, there was sufficient congruency in several important ones: professionalism, high academic standards, practitioner-orientation, integrity, and social responsibility. It is probably easier to find values congruency in intra-sector alliances than in cross-sector collaborations because of the relatively greater institutional

homogeneity. However, it is worth noting that in the business-NGO alliances we studied in this book, alignment of values was quite common.

Strategy

The alignment of SEKN with each individual school's existing strategy varied. For some the fit was close because they were already engaged in social enterprise research and training. For others the field was nearly virgin territory and represented the opening up of an entirely new domain. Yet for others, there was depth in some dimensions of social enterprise, e.g., corporate social responsibility but not in nonprofit management, or vice versa. Overall, however, and despite the uniqueness of each individual fit, some common traits emerged. Chapter 3 showed that a partnership can help an organization by strengthening its connection with its stakeholders, internal and external, or by adding value to its products. SEKN has motivated and empowered the faculty and staff of member organizations interested in working in the creation of social value. SEKN's work also responds to an increasing demand by current and future leaders in each of those nations to understand the interplay of the business and social sectors. Finally, through the creation of a critical mass of cases studies, SEKN members have added a strong social dimension to their MBA and Executive Education curricula. In the particular case of HBS, the mounting of SEKN was consistent with the School's and the ISE's globalization strategy, which focused on engaging in important field-based research beyond the United States to generate new intellectual capital relevant to the school's global constituencies.

A fundamental strategic organizational issue facing each of the member schools was whether or not to enter into a collaborative production undertaking. While each of the schools had some cooperative bilateral arrangements with other institutions and affiliations with industry associations, none, including HBS, had an alliance that had SEKN's aspiration to engage in joint production of new knowledge in a tightly coordinated hemispheric organization with other

schools. While most of the schools operated in different markets thereby reducing potential competitive conflict, in various respects, some members considered others as competitors in the larger Latin American MBA industry. As Chapter 10 showed, even competitors can come together aligning the social dimension of their individual missions, putting the common good over the particular interests, in this case, the creation of practice-oriented knowledge that would contribute to more sustainable societies. SEKN shows the dynamics of *co-opetition* at play, where competitors come together to *make* and expand the market for social enterprise education. The win-win opportunities from collaboration were seen as substantial.

Joining the Network constituted a significant strategic risk for all parties given its novelty, ambitious agenda, organizational and task complexity, and scale. The willingness to assume the risk was based on the perceived value that could accrue from this novel collaboration.

Creating value

As we have seen throughout the book, the strongest social purpose alliances are those that combine their resources and deploy their core competencies so as to generate significant benefits for the partners as well as for society. One of the valuable attributes of cross-sector collaborations between businesses and NGOs is the diverse nature of their assets and competencies, which tend to be greater than that existing in collaborations within the same sector. SEKN's value generating potential is based on complementarity, scale, and scope. The Network's member schools, while similar in many aspects, are diverse in many regards. This creates value-generating opportunities by combining their distinctive competencies; weaknesses of some are compensated for by the strengths of the others. Part of SEKN's learning process has been discovering these differences and leveraging respective institutional and individual strengths. For example, one school's superior technological competency and infrastructure was used to create the Network's internet-based communication system and webpage, www.sekn.org. At the heart of capturing the potential

value emanating from diversity is the willingness to engage in lateral learning from partners whether these are from a different sector or the same sector. The opportunity to interact with colleagues outside of one's own institutional setting creates access to additional and different perspectives and competencies. This mutual learning has been evident from the beginning of the interactions of the SEKN researchers and has been a powerful motivating force for members. The learning has not simply been on the substantive research issues being pursued but also on how to build and institutionalize Social Enterprise activities within each school. Ideas have been gleaned from the practices instituted by other partners.

The second source of value generation comes from the scale of the network. As we saw in Chapter 10, multiparty collaborations—in that case multiple businesses and NGOs coming together in Colombia—can create greater social impact because of the greater scale. In the case of SEKN the combined efforts of multiple educational NGOs reach many more students and practitioners than a single or bilateral relationship could. Furthermore, there are learning economies of scale because multiple cases are examined and more peer teachers are involved, thereby accelerating the collective journey along the learning curve. The fact that there are more cases and more data points increases the robustness of the findings. Additionally, because each school produced a set of four cases, collectively twenty-four cases were produced, thereby making available a much larger body of teaching materials than individual schools could have produced on their own. This enables the creation of entire courses or programs more quickly.

The third source of value generation comes from the geographical scope of the Network. By having members from multiple countries in the hemisphere, SEKN is able to engage in cross-country comparative research on the same topic using a common methodology. Such multi-country studies are rare because of their complexity and resource requirements and are therefore particularly valuable in shedding greater light on phenomena in terms of differences and similarities across countries, as was highlighted in chapter twelve. Additionally, the Network can

study simultaneously the multi-country operations of a company or an NGO, which in fact is being planned for the next research cycle. Another value generator emerging from scale was the interaction between partners—a case in point was the exchange of students between Argentina's POSFL and Brazil's CEATS.

Managing the relationship

We have seen from the cross-sector alliances studied in this book that their effectiveness is greatly determined by how the partner relationship is managed. Focused attention on the relationship is an important element. In every SEKN school there is a faculty member designated as the institution's leader for its social enterprise effort. Within their institutions these individuals play the critical role of social entrepreneur in building their organization's social enterprise activities and linking them to SEKN. Each leader in turn has assembled a research team and these are the groups and individuals that interact across the schools in the Network. Top leadership support is an essential component of focused attention. So the backing of each school's top leader, which was elicited at the moment of entering SEKN, continues to be cultivated, including instances when there have been changes of leaders.

But important as it is, we know that top leadership commitment is not enough to sustain vibrant alliances. The collaboration has been institutionalized within each school in different forms. While the specifics varied, in every case SEKN-related activities were made an important part of the portfolio of responsibilities of faculty and staff involved—even to the point of being a full time responsibility, in some individual cases—and was fully integrated into their incentives.

We also know that clear and frequent communication is the lifeline of any collaboration. For starters, good communication between partners is vital to the building of the personal relationships from which trust emanates. The communication challenge facing SEKN was significant given the members' geographical dispersion. This was met by a two-pronged

approach. First, we created an internet communication channel using a Yahoo discussion group. This instantaneous email channel has proven quite effective and efficient as a communication vehicle, although we had to learn how to not overuse it and to not send every message to everyone but only to the subgroup for which it was most relevant. We also created our own webpage that enabled us to have common files and other communication vehicles. We tried to migrate our email communication from Yahoo to our web-based intranet platform but discovered that significantly reduced rather than facilitated our communications. Consequently, we returned to the dual system. In order to provide a more systematic process of reporting progress and sharing lessons, we instituted a monthly report from each school that is consolidated by an HBS administrator and distributed as the SEKN monthly newsletter. The group reviewed whether the benefit of this communication outweighed its assembly costs and concluded that it did, with the main benefit being the capture by partners of good ideas generated by others. The reporting also created a discipline in self-reflection that was seen as helpful to the reporters themselves. The SEKN Coordinator role, played by HBS and its LARC during the first two-year cycle, also involved a major responsibility for communicating on common tasks.

The second form of communication was face-to-face through workshops about every six months. While the electronic communication is vital, its effectiveness has been greatly enhanced by the personal interactions enabled through these group meetings. The depth of the relationships increases through the spontaneity and informal conversations that take place in the meetings. An electronic *abrazo* simply does not create the emotional connections that come from direct contact.

Equally important is communication within each participating school and towards their external constituencies. This has been carried out through a number of dissemination articles and activities. For example, SEKN has been recently featured in the *HBS Bulletin*—a publication by which the School remains in touch with alumni all over the world—and the *ReVista*—a magazine freely distributed and published by Harvard University's David Rockefeller Center for Latin

American Studies, which focuses on Latin America, the US-based Latino community, and the Iberian Peninsula. Additionally the SEKN team at the Universidad de Los Andes publishes bimonthly a virtual social enterprise bulletin called *Makruma*, to connect various stakeholder groups to its social enterprise efforts. More broadly, in 2002 SEKN was prominent in the 1st Americas Conference on Corporate Social Responsibility, “Alliances for Development,” organized by the Inter-American Development Bank, which focused precisely in cross-sector partnerships. Business, NGO, and government leaders from the hemisphere participated. HBS’ team leader presented a preliminary version of the Network’s research in the plenary session, and other SEKN team leaders moderated subsequent panel discussions. SEKN has again been invited to participate in the 2003 Conference, which will focus on “Corporate Social Responsibility as a Tool for Competitiveness.” Given that SEKN’s mission is to generate and disseminate knowledge, the group is engaged in a very proactive and coordinated process of making presentations in 2003-04 based on our research findings in a multitude of international and national professional association conferences and leadership meetings. In addition to the publication of this book and the distribution of the cases and teaching notes as a special SEKN Collection by Harvard Business School Publishing, SEKN scholars are also publishing additional articles based on the research in various academic and trade journals.

While the form of communication is important, the nature and content is even more so. SEKN developed norms in this regard. First, we had a shared commitment to producing very high quality research. Honoring this mutual accountability was more a function of peer pressure and respect, i.e., social control, than the formal contractual obligations to the funder. From this emerged the norm of valuing frank and constructive feedback. Good criticism is hard to come by and yet is absolutely essential to achieving superior quality. This type of communication has become an important benefit accruing to the SEKN members. That same norm has been applied not only to our substantive work but also our group processes. We have a companion norm that

encourages explicitly self-reflection on our own processes. Given that this network building process involves a great deal of learning by doing, we inevitably make mistakes, so we allocate time in each meeting for reflection on what is and is not working as well as it should. Giving and accepting criticism individually or collectively is not easy. It takes courage, maturity, and trust, but is nurtured by the underlying understanding that it is aimed at the commonly held goal of continuous improvement. It is our perception that these processes for accountability, along with frank and constructive mutual feedback, are equally important to the vitality of cross-sector and intra-sector collaborations.

Each school manages its portfolio of collaborations with other institutions independently and differently. However, they seem to be aware of the need to keep focus and balance in their alliances. Considering the magnitude of institutional resources that an undertaking such as SEKN requires to operate, this network tends to stand out as a strategic initiative in the portfolio of all members involved. That is certainly the case for HBS' Initiative on Social Enterprise, for which SEKN has a clearly cardinal dimension, as the backbone of its strategy of internationalization and field building.

Chapter 5 made clear that collaborations cannot come about nor operate without trust. In SEKN's case, almost the entire list of resources enumerated in that section were deployed to good results. Mutual trust was built by refraining from creating unreasonable expectations, by delivering on promises and showing results, by ensuring transparency in every step of the way, by institutionalizing a routine of joint work, by mutual respect and recognition, by jointly overcoming tough challenges, by walking your talk, by showing a long-term commitment, by building strong inter-personal relationships, and by the credibility that came attached to well known institutional brands. In effect, the mechanisms for trust building hold for both cross-sector and intra-sector collaborations.

Another important element for a healthy partnering relationship is clear and shared responsibilities. In SEKN there has emerged a process by which all the tasks that need to be done get shared, with the division of labor striving for a sense of equitable workloads, recognizing comparative competencies, and creating learning opportunities. For example, different schools have served as hosts for the periodic research workshops or volunteered to take on specific tasks such as serving as treasurer for the Network. Each of the sessions in the workshops is led by different faculty. Delivering fully on these assumed responsibilities builds credibility and trust among the partners. This in turn has created a performance expectation that is a constructive form of peer pressure. The governance system is one of shared decision-making and a network coordinator role that rotates among the members.

It is important to note that the role that the AVINA Foundation has played within the Network has not been that of a passive funder. From the beginning AVINA was seen as full partner in realizing the SEKN mission. Accordingly, AVINA representatives have been participants in the workshops and worked closely with the schools. Just as the SEKN schools have gone through and continue to go through a process of learning how to work together effectively, so too has there been a discovery process in the relationship with AVINA. The hemispheric scope and nature of SEKN was unlike anything that AVINA had engaged in before. Consequently, some of its procedures and approaches understandably did not fit the requisites of the SEKN process and structure. There was sufficient congruency in goals and personal trust that these differences could be addressed directly and resolved constructively as part of the on-going collective learning process.

The organization is a coalition and the idea of formally incorporating as a distinct nonprofit entity was rejected, primarily because such a form might reduce the prevailing sense among the members of direct and collective responsibility for the existence and vitality of the Network. A separate formal organization risked becoming an entity “run by others” rather than

existing only through the continuing direct inputs of the alliance members. We can think of the evolution of SEKN in terms of the Collaboration Continuum. The schools came together initially in what could appropriately be categorized as a transactional relationship: a research project that had a two year cycle, defined activities, and specified outputs. This book and the accompanying 24 teaching case studies² represent the completion of that cycle. In the process, however, SEKN has evolved more toward an ongoing integrative relationship. The Network has become a distinct identity in terms of its name, logo, outputs, external recognition, organizational structure and culture. It is worth noting that the members engaged in considerable dialogue around the name and the logo. There emerged a variety of linguistic differences for the same terms across countries. As a result, the members agreed that each country would use the wording that best represented the Social Enterprise Knowledge Network in their local language, but preserve the English name and SEKN acronym and a collectively designed logo as a common identity for all countries. SEKN is now more a joint venture, a collective undertaking, than a transactional project.

Growth and innovation

Vital collaborations face the ongoing challenge of growth and continual innovation. SEKN is early on in its life cycle but is moving forward systematically. It entered into its second two-year research cycle beginning September 2003. Joining seven SEKN founding schools were four additional schools bringing in three new countries, including Spain, thus making the network Ibero-american. One of the founding schools withdrew because there was mutual agreement that it was not possible to mobilize sufficient faculty resources committed to the undertaking to deliver the expected outputs. This reinforced the Network's quality and output standards. For Cycle II the SEKN members selected a new research topic: "Key Performance Determinants for NGOs and for Corporate Engagement in the Social Sector." In contrast to the Cycle I research

focus presented in this book that examined collaborations between NGOs and businesses, the new research will look at successful NGOs and Corporations separately and will identify and analyze the key factors that have led to their superior social performance. The process by which SEKN selected this new intellectual agenda also illuminates the dynamics of the partnership. The basic selection criteria were that the topic would fill an important knowledge gap, would strengthen the needs of the member schools, and would be feasible. Many interesting and important research topics were suggested in a process of collective dialogue, but distinct preferences emerged because of different felt needs among the schools. A subsequent iterative process produced consensus around the aforementioned topic. An important additional norm manifested itself again in this process, namely, a willingness to continue to search for consensus solutions and to compromise rather than create destructive impasses. Constructive collaboration is not about winning but rather winning together.

A final dimension of the SEKN growth strategy has been to create a multiplier effect within each country. One does not want to overexpand the SEKN membership because the Network could become organizationally unwieldy. There can be diseconomies of scale that should be avoided. However, to fulfill its mission SEKN does want to magnify its impact. This is achieved in part through the dissemination of the book and the teaching case studies as discussed above. Beside the creation of intellectual capital, an additional approach is for each SEKN member to create networks of schools and other social purpose organizations in their respective countries. These national networks aim to capture collaboration synergies and expand the knowledge generation and dissemination channels.

The need for strengthening the capabilities of NGO and business managers to generate social value remains acute. The potential for societal betterment through such efforts is enormous. It is a journey that SEKN is embarked upon. We hope that this book has moved us closer to that

goal and that this Epilogue proves useful to others interested in harnessing the power of institutional networks to produce value for the greater good of society.

Notes

¹ The Latin America Research Center (LARC) was one of five research centers established outside of Boston since 1997. The LARC was inaugurated in Buenos Aires, Argentina, in August 2000. It also maintains a presence in São Paulo, Brazil, and works in the other countries in the region.

³ Available through Harvard Business School Publishing as the SEKN Collection, <http://www.hbsp.harvard.edu>.