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Doing More with Less – Public/Private Collaboration as a Key Nonprofit Trend

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I. Introduction.

In today's economy, nonprofits have been innovative at serving client and community needs by partnering with other nonprofits, government and for-profit businesses to advance their cause. Collaboration occurs when people from different organizations produce something together by sharing knowledge and resources, building consensus and sharing the ownership of the final product or service. This is caused by a number of macro-level forces, including economic, political, and social forces. They also have a number of benefits, including cost savings, synergies, and increased impact (Austin, p.7-11).

Nonprofit organizations collaborate with private businesses and governmental organizations in a variety of ways and for a variety of reasons. Collaboration can as limited as a business providing free services to a nonprofit, or can be as complete as a formal partnership that serves as the primary or entire operations of the nonprofit, or it can fall somewhere between those extremes. Nonprofits may seek collaboration with private businesses or governmental organizations for many different reasons, including: to obtain a new source of funds; to obtain free or reduced cost services; to take advantage of a private business' expertise, equipment, or facilities; to reach a broader audience with the nonprofit's message; to create synergy from associating with a complimentary organization or business; or because the nonprofit is unable to continue operations on its own.

II. Making Collaboration Work.

Whether you call it collective impact, collaborative entrepreneurship, or coalition-building, collaboration requires constructing a strategic framework, convening a diverse group of stakeholders, developing ground rules for managing relationships and shared decision-making, and generating ongoing, meaningful value for each stakeholder. However, the form that the collaboration takes is incredibly important to determine what legal needs will be required. See *Figure 1 – Collaboration Continuum: Forms* (Adapted from Austin, p. 20-28) on the next page.



Collaboration Continuum					
NETWORK • Get acquainted • Single event • Common interests • Similar goals • Varied expertise	COOPERATION Informal relationships Communication as needed Share ideas and opinions Joint work toward a mutual end or benefit Share responsibility Consensus decision-making	COORDINATION Joint planning activities Formalize teamwork Share responsibility Share best practices Share risk and rewards Engage more stakeholders Mission compatibility and alignment	COALITION Trust Formal leadership roles Documented plan MOU's Share accountability Share marketing & PR Share resources Share activities Common vision	ALLIANCE Legal partnership agreement Ongoing relationship Formal dissolution agreement Share fiduciary responsibility Share or transferred decision making Share support services Joint programming Exchange human resources Increase mission reach Clear reporting structure	INTEGRATION Legal Structure change: Management Service Organization, Joint Venture, Parent-Subsidiary, Merger or acquisition Financial Sustainability Scalability Strategic restructuring Increase mission impact Strengthen brand Consolidation of leadership, both board and CEO.
Common Focus	Common Ground	Common Project	Common Identity	Common Strategy	Common Business Model
Networking is characterized by relationships between a wide range of individuals, groups, or organizations who share common interests, goals, and /or expertise.	Cooperation is characterized by informal relationships who share ideas and opinions, working together towards mutually beneficial goals.	Coordination is characterized by more formal relationships between individuals, groups or organizations that have compatible missions. Risks and rewards are shared as well as responsibility for results.	Coalition is characterized by key community leaders who support and advocate for a group's shared mission and vision. They access their network to recruit resources and partners.	Strategic Alliance is characterized by a formal agreement between organizations, driven by critical business needs and shared or transferred decision making while remaining independent.	Corporate Integration is characterized by changes to corporate control or structure, including the creation or dissolution of one or more organizations.
Forms of Collaboration				Strategic Restructuring	

Informal Structure / Process Formal Structure / Process

Figure 1

Collaborations range from networks, which are loose forms of collaboration but a great starting point, to integration, which creates a separate legal structure. Before starting, it is important for the stakeholders to gather and determine what their ultimate aim is and how best to form the collaboration. The following questions can serve as a guide:

- Why should we collaborate?
- What type of collaboration should we undertake?
- With whom should we collaborate?
- When should we collaborate?
- How should we collaborate?

In the book, <u>The Collaboration Challenge</u>, author James E. Austin suggests the following five steps for collaboration:

- Understanding strategic collaboration
- Making the connection
- Ensuring strategic fit





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