WISE GIVING™ GUIDE

Better Together:
Charities and Collaboration

BBB

The *Wise Giving Guide* is published three times a year to help donors make more informed giving decisions. This guide includes a compilation of the latest evaluation conclusions completed by the BBB Wise Giving Alliance.

If you would like to see a particular topic discussed in this guide, please email suggestions to **give@council.bbb.org** or write to us at the address below.

INSIDE

BBB Wise Giving Alliance Board of Directors

BBB Wise Giving Alliance Staff

president's MESSAGE

As we approach the time of year when families and friends come together for the holidays, we at BBB Wise Giving Alliance thought it would be a good time to discuss how nonprofits come together to further their missions. The holidays are always a time for supporting those in need, and oftentimes collaboration is a better way to get results. With the growth of the charitable sector, duplication of efforts and competition can get in the way of service provision. Additionally, there are many social good actors outside the charity sector offering new ways to help others. The time has come for nonprofits themselves to experiment, innovate, and yes, collaborate.

This edition of the *Wise Giving Guide* will focus on the Advancing Collaboration article series developed by BBB WGA and *Stanford Social Innovation Review*, and offers some insight into working together for both nonprofits and donors. The authors offer a wide range of topics, from theory to practice to examples of collaboration in the nonprofit sector. If there is a common thread, however, it's that collaboration and the potential for new value is a good thing.

We call on both charities and donors to take the Advancing Collaboration Pledge, a public commitment to advancing collaboration with the aim of finding partners with complimentary assets to execute a shared vision. Advancing collaboration begins with charities committed to a spirit that fosters joint action and donors supporting charities committed to working together to achieve more.

Visit: **give.org/advancingcollaboration/collaboration-pledge/** and download the pledge icon to share it on social media and in other communications.

As always, we appreciate your support and generosity to both BBB WGA and the charitable sector.

ADVANCING COLLABORATION PLEDGE

H. Art Taylor, *President & CEO*
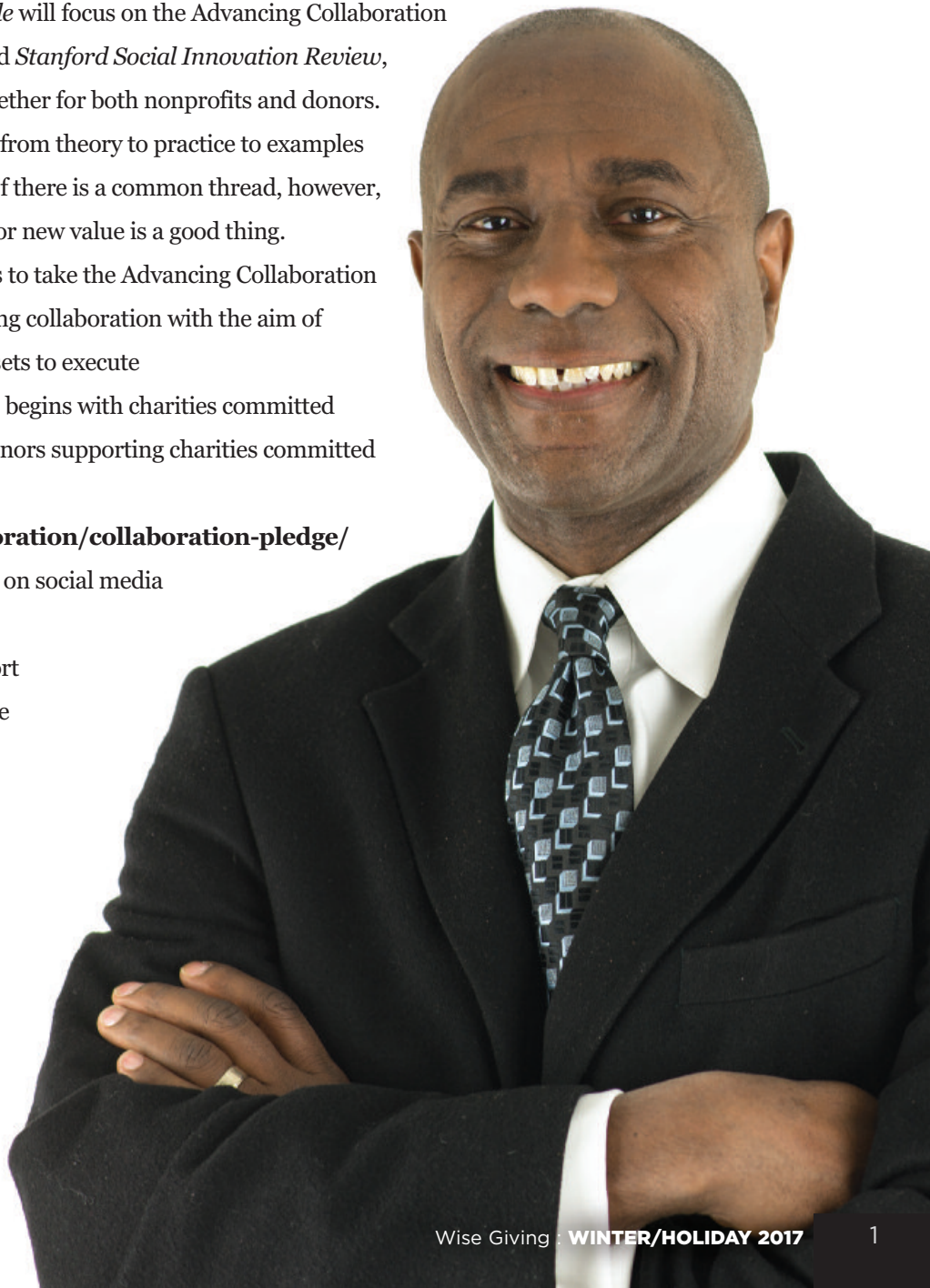
Better Together:
Charities and Collaboration

By Edward Loftin

In this edition of the *Wise Giving Guide*, we summarize an article series developed by BBB WGA in partnership with and hosted by *Stanford Social Innovation Review (SSIR)*, a publication of the Stanford Center on Philanthropy and Civil Society, whose mission is "to advance, educate, and inspire the field of social innovation by seeking out, cultivating, and disseminating the best in research- and practice-based knowledge." In synthesizing each of the twelve articles in the series, including one by BBB WGA's President and CEO, Art Taylor, we hope to shed some light on the theory and practice of collaboration in the nonprofit sector from the diverse viewpoints of the authors. We also ask that both charities and donors consider taking the **Advancing Collaboration Pledge** (**give.org/advancingcollaboration/**), "a public commitment to advance collaboration with the aim of finding more partners with complementary assets to execute a shared vision."
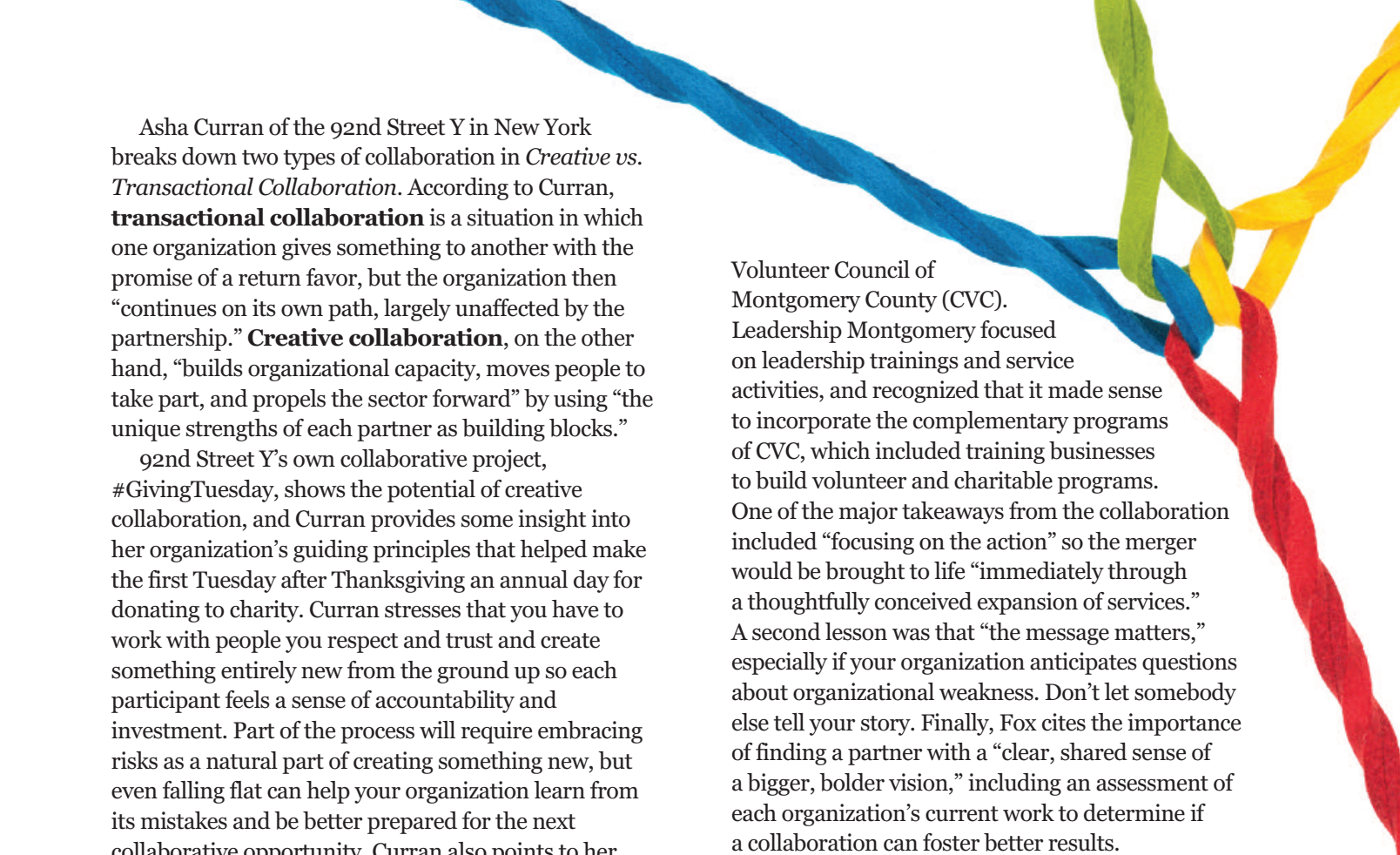
Making a case for working together

In the spring of 2017, BBB WGA hosted a collaboration roundtable with representatives from charities large and small. Peter Panepento, Co-Founder of Turn Two Communications, which specializes in nonprofit and foundation work, refers to the first of these discussions in his *Nonprofit Collaboration 2.0*. According to Panepento, a notable insight from the first roundtable was that nonprofits are facing "increased pressure to deliver on their mission in creative ways." While the pressures of government cutbacks and mounting needs are always a possibility, technology is also "pushing many nonprofits to adapt their fundraising tactics, refine their communications and marketing strategies, and confront increasing cybersecurity challenges." Collaboration is one way to combat these pressures, and nonprofit partnerships don't always have to be with other nonprofits. For example, Maryland Food Bank teams local farms and pre-release prison inmates to produce 800,000 pounds of produce a year, enough for 650,000 meals. Beyond producing over 10% of the food bank's meals, the collaboration provides inmates with opportunities to engage with and begin to reintegrate into society, and highlights the benefits of looking for partners in unusual places. Panepento's piece also touches on the role foundations can play in supporting such collaborations by incentivizing joint efforts at the community and nonprofit levels, and recommends the development of toolkits and sharing of best practices to help nonprofits manage collaborations, which can be "complicated and messy even at their most basic."

Jacob Harold, President and CEO of Guidestar, examines some basic ideas from economics to support greater nonprofit collaboration in *The Collaboration Game: Solving the Puzzle of Nonprofit Partnership*. **Division of labor** can improve impact if separate organizations with open lines of communications serve the same individual. Nonprofits sharing office space is a classic example of **economies of scale**, the savings in cost gained by increased levels of production. **Network effects**, by which additional value is added as more people use a product or service (think Wikipedia), can benefit nonprofits through the increased audience gained through partnership.

Harold also discusses potential barriers to collaboration given the tendency of nonprofits to orient toward the status quo in their "funding streams, staffing models, programmatic strategies, and organizational culture." This tendency can foster organizational anxiety over change, but Harold offers some useful insights to ease this fear. Finding a shared identity among partners, acknowledging limitations, sharing examples of what other nonprofits are doing, and finding a guide to assist with the collaborative vision can all help ease the transition into partnership. Finally, Harold believes the clear identification of division of labor among partners, and formalization of systems for knowledge sharing, governance, and communication, can help strengthen the chances for successful collaborative projects.

Asha Curran of the 92nd Street Y in New York breaks down two types of collaboration in *Creative vs. Transactional Collaboration*. According to Curran, **transactional collaboration** is a situation in which one organization gives something to another with the promise of a return favor, but the organization then "continues on its own path, largely unaffected by the partnership." **Creative collaboration**, on the other hand, "builds organizational capacity, moves people to take part, and propels the sector forward" by using "the unique strengths of each partner as building blocks."

92nd Street Y's own collaborative project, #GivingTuesday, shows the potential of creative collaboration, and Curran provides some insight into her organization's guiding principles that helped make the first Tuesday after Thanksgiving an annual day for donating to charity. Curran stresses that you have to work with people you respect and trust and create something entirely new from the ground up so each participant feels a sense of accountability and investment. Part of the process will require embracing risks as a natural part of creating something new, but even falling flat can help your organization learn from its mistakes and be better prepared for the next collaborative opportunity. Curran also points to her organization's "spirit of generosity, humility, humor, experimentation, and intellectual curiosity" as being essential elements of creative collaboration that helped establish #GivingTuesday and influence grassroots campaigns nationwide. The #GivingTuesday community acts as a feedback loop in which ideas and best practices are shared, changed, adapted, and shared again, increasing capacity along the way. The final principle Curran references is 92nd Street Y's ability to let go of "complete control of brand or narrative," which allows an open-source movement of communal ownership that can evolve, adapt, and grow in a truly collaborative way.

A place of strength

Carrie Fox, Founder of Mission Partners, a consultancy firm specializing in helping nonprofits, foundations, and corporations improve impact, helps debunk a potential misnomer about nonprofit collaboration. Her contribution, *Coming Together from a Place of Strength, Not Weakness*, dispels the notion that, in partnerships, one of the organizations is "weak and needed saving." Fox points out that, in collaboration, there is potential for "the strong to become even stronger." With well over one million nonprofits in the United States, working together makes sense considering the potential for duplication of efforts.

Fox's piece focuses on the merger of two established nonprofits, Leadership Montgomery and Corporate

Volunteer Council of Montgomery County (CVC). Leadership Montgomery focused on leadership trainings and service activities, and recognized that it made sense to incorporate the complementary programs of CVC, which included training businesses to build volunteer and charitable programs. One of the major takeaways from the collaboration included "focusing on the action" so the merger would be brought to life "immediately through a thoughtfully conceived expansion of services." A second lesson was that "the message matters," especially if your organization anticipates questions about organizational weakness. Don't let somebody else tell your story. Finally, Fox cites the importance of finding a partner with a "clear, shared sense of a bigger, bolder vision," including an assessment of each organization's current work to determine if a collaboration can foster better results.

A nice problem to have

In the summer of 2014, the ALS Ice Bucket Challenge (IBC) swept the nation, with people emptying buckets as well as their wallets to fight amyotrophic lateral sclerosis. Barbara Newhouse, President and CEO of ALS Association, contributed *Collaborating after the ALS Ice Bucket Challenge* to our series, explaining the challenges of managing the "good crisis" following "the largest single act of social media fundraising," in which her organization received $115 million in just six weeks. The challenge quickly became how to allocate this windfall of funding and what it meant for the organization in the long run. Newhouse explains that collaboration was not only with outside organizations. The IBC presented the Association an opportunity to increase internal trust between her organization's 39 chapters and the national office, as well as among the chapters themselves. For example, ALS Association formed an executive leadership council with representatives from the chapters and a strategic plan created by chapter and national staff, including the formalization of a commitment to collaborative fundraising.

Outside the organization, ALS Association developed the Collaboration for a Cure event in Arlington, VA in April of 2015. The event brought together representatives from 18 ALS groups to identify key areas to help improve lives of those living with the disease. The charity also

uses funds from the IBC to fund global research collaborations, and to bring together stakeholders to provide written guidance to the Food and Drug Administration to help speed ALS drug approval.

Start at the top: governing the collaborative organization

As with the ALS Association above, when considering collaboration, the first place to look may be within the organization itself. Pratichi Shah's contribution to the Collaboration Series, *Building Real Collaboration into Your Organization*, stresses that organizational leaders need to rely on time and energy, not lip-service or catchphrases, to realize impactful collaboration. Shah, the CEO of a firm specializing in increasing impact in the nonprofit and philanthropic communities, identifies **culture**, **people**, **and leadership** as the three core areas on which to focus when developing a collaborative organization. **Culture** calls on leadership to "identify what is unique and positive about being part of the organization," and "brainstorm where synergies may lie" for collaborative opportunities both inside and outside of the organization. Shah emphasizes examining what your organization has to offer, the kinds of relationships that do or don't add value, and the importance of trial and error in collaborative efforts. The **people** pillar focuses on emphasizing the value of collaboration to all stakeholders, as it is often "far easier to set the course and stay on it than to redirect a ship after it has set sail." It's also important to hire and appoint individuals who "actively look for collaboration opportunities, support the process, and contribute to successful partnering," as well as to integrate collaboration into all processes that influence staff. The **management pillar** calls on leaders to "align around the value of collaboration" and charge others to "seek out and act on alliances that further the organization's mission." To help manage feelings of instability during the collaborative process, leaders can "share progress and offer realistic reassurance about the future" through coaching and professional development, transparent communication, and accountability.

Anne Wallestad, President and CEO of BoardSource, a nonprofit organization dedicated to "inspiring and supporting strong board and executive leadership," chose to focus on the role of nonprofit boards in collaboration. In *Governing a Collaborative Organization*, Wallestad points out that the traditional role of boards of directors was to act as fiduciaries of their organizations, measure against pre-determined goals, and act as ambassadors and fundraisers. She believes this organizational approach to governance, however, may not be ideal for collaboration. Instead, Wallestad posits that boards committed to collaboration need to have clear goals, but flexibility concerning the ways to achieve them. Further, boards should expand the definition of success to include collective accomplishments and adjust executive expectations and evaluations to acknowledge traits of collaborative leadership styles, such as willingness to share the spotlight, let go of control, and focus on the organization's mission and the community it serves. Through cultivating "curiosity and openness to all forms of collaboration," organizational boards can develop the "network mind-set" crucial to advancing the mission through working together.

Funding and fundraising for the collaborative organization

The Interim President and CEO of the Association of Fundraising Professionals, Jason Lee, believes collaborative fundraising is the next step in the "evolution of sharing" that has arisen in the nonprofit community since the Great Recession. In *The Next Wave in Fundraising Collaboration*, Lee explains that nonprofit fundraising collaborations are especially sensitive given that public reputation and donor data are at stake. In his view, trust is the key element to any collaborative relationship, but it is not built quickly, and requires shared values and principles. Collaborative fundraising also requires partners to be "on the same page" in stewardship efforts to ensure that "the partnership meets the expectations of both organizations' donors." If the challenges of joint fundraising can be overcome, Lee points out that the rewards can be transformative, and include "increased public awareness, exposure to a whole new group of donors, media coverage, and public goodwill."

Barriers to Funder Collaboration and the Will to Overcome Them, by Center for Effective Philanthropy (CEP) President Phil Buchanan, focuses on the role collaboration plays in foundation funding of charities. Buchanan refers to CEP research that finds lack of collaboration as a barrier to progress and that more collaboration could "unlock much more impact." He also believes that barriers to collaboration include the treatment of the philanthropic sector like a business, misaligned measurement incentives, power dynamics, and ego. However, with time, patience, and a leadership style that is "less command and control, more counsel and cajole" can aid in overcoming these hurdles. Buchanan recognizes that "a single philanthropic institution, acting alone, rarely accomplishes anything of real consequence."

Big data

Collaboration in the digital age may look different than joint efforts of the past. Jake Porway's *Using*

Collaboration to Harness Big Data for Social Good provides some insight into how data, from social media statistics to satellite imagery, can be collaboratively harnessed for social good. Porway is the Founder and Executive Director of DataKind, an organization dedicated to applying algorithms and techniques used in the business world to mission-driven organizations. From DataKind's experience with over 200 joint efforts connecting nonprofits to teams of data scientists, Porway has reached the conclusion that the most critical ingredients in harnessing data to solve social problems are collaboration with data scientists, within the organization, and within the nonprofit sector. Data scientists can help define the project and aid in "uncovering and articulating your needs." Within the organization, Porway stresses that you must "build with, not for," emphasizing the need to include management as well as end users. The third element of successful data collaboration is teamwork among nonprofits. By joining forces, the hope is that nonprofits can "learn from each other, build and improve on past work, and ultimately move the needle together on tough social issues."

Teaming up against home fires

One of the biggest players in the charity community has long been the American Red Cross. In her contribution to the Collaboration Series, American Red Cross President and CEO, Gail McGovern, gives some highlights of how even established charities can benefit from collaboration to stay relevant. In *Saving Lives Through Partnership*, McGovern details how her organization's Home Fire Campaign collaborates with over 4,200 social service organizations, businesses, civic groups, fire departments, local governments and faith-based organizations to reduce death and injury from home fires. The program has installed 840,000 smoke alarms and designed over 350,000 evacuation plans to date through collaborative coalition building. Through its chapters, the Red Cross identifies and targets at-risk neighborhoods, recruits volunteers and forms home-visit teams, and offers support through resources. Once teams are assembled and provisioned, they jointly execute in-home visits. The final step is to evaluate Home Fire Campaign activities and share the information with partner organizations to "best match their interests and capabilities."

Collaboration starts with trust

As BBB WGA's own Art Taylor points out in his contribution to the Collaboration Series, new social good organizations, software platforms, social networks, and computer systems, to name a few, are "testing the strength and viability of existing nonprofit programs and business models." In *Hacking Nonprofit Collaboration*, Taylor offers important considerations for nonprofits "looking to maximize social impact through collaboration." For one, Taylor stresses that organizations "start small" by seeking short-term collaborations that don't require a lot of time or money to help build confidence and willingness to trust. Another key point is for nonprofits to "take a portfolio approach" by establishing several promising collaborations and prioritizing those that are the best fit for your organization. Taylor also points out that nonprofits should keep their donors abreast of their collaboration projects as some may be interested in working with charities actively engaged in collaboration.

Not coincidentally, the first item Taylor mentions as an important consideration for nonprofits seeking to collaborate is **building trust**. Whether your charity seeks partnership with other nonprofits, governments, the private sector, or simply within the organization itself, having trusting partners is essential to any joint effort. This trust can be demonstrated through good governance, sound financial management, and transparent and truthful communications among partners.

With nonprofits already stretched thin and increased demands for their services, now is the time to start working together. To quote Art Taylor, "The world is moving too fast to keep pace alone."

We encourage donors and charity professionals alike to read the articles in our Collaboration Series at **give.org/advancingcollaboration/collaboration-article-series/** and show your collaborative spirit by taking the Advancing Collaboration Pledge **give.org/advancingcollaboration/collaboration-pledge/**.
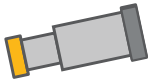
Framework for Collaboration
Nine Important Considerations

1 **BUILD TRUST**

Trust is the basis for strong collaboration. Good governance, solid financial management and reporting, and truthful and transparent communications demonstrate trust. Trustworthiness can lead to better results and more willingness to collaborate.

2 **HAVE A VISION**

When seeking to collaborate, outline organizational expectations over an established period of time. Long-range planning can also help identify potential stresses on existing programs.

3 **SEEK TO ASSURE THE SUCCESS OF YOUR COLLABORATORS**

Know the expectations of both the project and collaborative participants. All participants must be fulfilled for a project to succeed, and regular intervals for discussion and a willingness to adjust are needed to achieve this goal.

4 **TAKE STOCK**

Examine organizational strengths and weaknesses and be willing to share this information with collaborators.

5 **START SMALL**

Begin collaborating with short-term, inexpensive projects that allow the organization to build confidence and willingness to trust.

6 **FAIL FAST, AND BUILD RIGOROUS FEEDBACK LOOPS**

Set timetables and clearly identify goals and responsibilities among staff. If partners aren't pulling their weight, reassess, adjust or consider moving on.

7 **TAKE A PORTFOLIO APPROACH**

Establish several promising collaborations with potential for new value. Prioritize these projects based on assets and deficiencies of each partner until the best match is identified for your organization's values and goals.

8 **CONSIDER NON-TRADITIONAL PARTNERS**

New, even previously unconsidered value can be found with corporations, startups, social networks, or other nonprofits outside your issue area.

9 **KEEP YOUR DONORS APPRISED OF YOUR COLLABORATIONS**

Collaborative projects may generate new fundraising opportunities, and funders may want to support the efforts of charities working together.

The above Nine Considerations originally appeared in *Hacking Nonprofit Collaboration*, BBB WGA President and CEO Art Taylor's contribution to the Advancing Collaboration series. To read the full article, please visit: **give.org/advancingcollaboration/collaboration-article-series/**