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POISED FOR PARTNERSHIP



January brought multiple requests to "talk about partnerships." These discussions came in the form of individual meetings with board chairs or executive directors, phone calls with funders, and conversations with colleagues who had targeted questions before they launched strategic planning efforts.

Effective partnership strategies require engaged board members who are open to possibilities. It is important for boards to create partnership criteria for their organizations as well as learn about current trends in human services. As a result of supporting so many organizations in over forty-five partnership projects, I have learned a bit about what works. Following a recent presentation, a board chair wrote:

"Marta, your presentation last evening was lucid, inspiring and illuminating. I think it gave our board members a new perspective on the possibilities of pursuing the right partnership."

Please let me know if you would like for me to talk with your board chair, executive committee or full board (schedule permitting) about collaboration - cooperation through full corporate integration - and how working together can support the path to financial sustainability.

TURNING POINT



Are We Different?

Are nonprofit merger explorations really that different from those in the corporate world? I am asked this question frequently by representatives of both worlds. People I meet at social events, after they express surprise that a human services provider would consider a corporate restructuring, want to know why and how they differ. Neither approach to partnerships is right or wrong, nor is one better than the other - they are simply different. Most of the defining distinctions fall within one of the following five categories:

Goals

Our region is fortunate to have so many generous corporate citizens who support the nonprofit community through donations, connections to potential donors, board service and other volunteer efforts. These for-profit cheerleaders are essential partners in implementing the strategic plans of our human services organizations. The reasons the companies exist, however, typically relate to sustaining and increasing net profits. Revenue is the focus, even in companies that emphasize the employee experience.

In contrast, the goals of a nonprofit merger are often not as clear. The driving goal in a human services partnership is almost always improved client services. This is defined differently depending on the content area, and it can be difficult to measure. Partners are sought with the hope of expanded, new or redefined services that support the mission. While financial sustainability may be one benefit of combining with another nonprofit, it rarely stands alone as the driver.

Process and Pace

A nonprofit merger is a blending of cultures, not a simple business transaction. While both corporations and nonprofits follow recommended processes that have proven to be effective in their arenas, a for-profit exploration usually moves in a more linear fashion. In contrast, human services organizations are impacted by a large number of stakeholders who add fuzzy, if not competing, expectations. And, the process may change multiple times due to external factors such as a shift in government funding priorities. The process to understand and align mission and values is complicated and requires enormous trust.

In addition, a nonprofit partnership moves slowly compared to most corporate efforts. The difference in timing results from many factors, including the dependence on volunteers. For example, board representatives who serve on the joint steering team may only be available to meet once every three weeks. This results in a longer period of calendar time to reach a decision and puts related planning on hold, delaying initiatives throughout the organization.

Board members with corporate merger experience may be frustrated during their service on a steering committee. Their previous experience, while seeming helpful, may create a barrier because the processes are so different. Some express impatience or show a lack of tolerance for the slower, inclusive process required for a nonprofit merger. This is even more pronounced if one or more of the exploring partners provides clinical services because clinicians typically place a high value on comprehensive discussions and process.

Employees

In a nonprofit merger, enormous amounts of time and energy revolve around steps to ensure the comfort, development and retention of current staff. Based on conversations with those in the business world, staff retention is often less of a priority during corporate merger explorations.

In my experience, human services staff are almost never cut as a result of corporate restructuring. Positions may remain open longer, employees may be asked to perform new duties, or someone may voluntarily leave, but every effort is made to retain all existing staff. Occasionally, employees will be told that staffing will be re-evaluated after a certain period, but reminded of leadership's commitment to keeping everyone in some capacity. Again, following this evaluation process, people are retained even if their positions change.

More often, however, staff are added following a nonprofit merger because services expand and funding increases. Since most of our organizations are so terribly understaffed today, fear of layoffs is less of a concern.

Customers

A business works with other businesses in the production of its goods and services. The goal remains profit, so the various entities are united in their focus to produce what is sold. In contrast, a human services organization works with many other groups in addition to for-profit entities such as vendors. External customers include referral sources, local governments, professional associations, politicians, parents and other family members, funders, various state departments through which federal funds flow and other community partners. The cumulative impact of absorbing these layers of input and expectations greatly complicates planning.

And, the demands of tending to internal customers (staff and volunteers) during a formal partnership process may limit the appropriate focus on the most important customer, the client. While we think of the client as a person who receives direct service from a front-line employee, defining who the client is on any given day varies and creates an extra challenge for nonprofit discussions.

Resources

Despite what some assume, a nonprofit merger exploration will not result in an immediate cost savings. The expenses required for the process usually offset any desired budget boost for the year. While these expenses should be outweighed by improved finances in time, the rewards will be delayed. Unlike the deep resource base that many for-profit organizations enjoy, most human services providers can barely keep up with expenses in light of low reimbursement rates, delayed payments and lean staffing. So a for-profit company that considers a formal partnership usually enters the conversation knowing it has the necessary resources. In contrast, nonprofit leaders are faced with the reality of limited reserves and often must seek funding for the exploration.

The process requires a dedicated, neutral facilitator, as one obvious expense. Generally, consulting fees for human services exploration are much lower than those for a corporate exploration. You may be fortunate enough to enjoy the pro bono services of a volunteer with nonprofit merger experience. If not, you will find the fees for a seasoned facilitator to be reasonable compared to one who works with businesses. Also, many attorneys and other professionals set different rates for nonprofits. During the process, exploration through integration, you may need specialized consultations in marketing, technology and human resources.

What matters most is that your support team brings nonprofit experience in addition to specific content knowledge. So many colleagues have called over the years to complain about a business consultant who was poorly suited for the environment and how the culture clash created costly mistakes and deadline problems.

Again, are we different? A review of the above five categories serves as a reminder of our distinctive qualities and why we require processes that fit our nonprofit cultures.

POINTING TO A GOOD READ



Try one of these to balance the next grey day:

Bad Call: A Summer Job on a New York Ambulance. Mike Scardino's funny riveting book about his experiences in the 1960's is so good I gave copies to several friends.

Inside the Dream Palace: The Life and Times of New York's Legendary Chelsea Hotel by Sherill Tippens. If you love literature, popular music, architecture, history, Manhattan and social commentary, this one's for you. The life stories of the hotel's residents, Walt Whitman through Patti Smith, are fascinating.

The Perfect Couple. I received this novel as a gift and would have missed it otherwise. Elin Hilderbrand's novel is oh, so much more than a beach read. It is a compelling mystery, complete with good character development, that offered a nice distraction during tax preparations!

PARTNER SERVICES SPOTLIGHT



I work with a group of trusted, supremely talented independent consultants who offer a wide range of services. They bring solid expertise and local nonprofit experience. Most have home offices with low overhead, a savings that is reflected in lower rates. Some of the most requested services include but are not limited to the following:

Administrative Consulting Services

- **Administrative Efficiency Reviews:** review of administrative functions to identify service gaps, develop or integrate new supports, update procedures, and recommend productivity improvements.
- **Project Organization and Oversight:** organize and coordinate specifically-focused projects such as new service administrative supports, redesign or restructure to address changes in technology, funding, service delivery, and increase client satisfaction.
- **Human Resources Services:** manage transition/implementation to new payroll service, develop or update policies and procedures, conduct compliance audits including review of HR due diligence issues and risk management, vendor management, and benefits design and selection.
- **Bookkeeping & Accounting Services:** contracted bookkeeping services including accounts payable/receivable and payroll; CPA audit services.

Please let me know if you are looking for just the right resource. I love making connections!

WORKSHOP REMINDER



Marta's popular Project Management Basics workshop will be offered on March 19, 2019. This workshop receives consistently high marks from participants.

"The Project Management workshop was a HUGE hit here and the evaluations were glowing. I have heard excitement about new skills learned from many of the attendees." -- Senior Leader, child-serving organization

Project Management Basics
Tuesday, March 19, 2019
9:00 a.m. - 12:00 p.m.
Interact for Health 3805 Edwards Road, Suite 500
Cincinnati, OH 45209

[Register for Project Management Basics](#)

Registration closes March 14, 2019

[Course Outline](#)

[Workshops on Site:](#)

For convenience and increased participation, you may prefer an in-house workshop. When a larger number of employees share concepts, language and tools, projects move along more smoothly. In some cases, a series of customized follow-up activities complement the foundational workshop. Evaluations from recent on-site trainings have been enthusiastic. Please contact Marta for more information about in-house, customized training.

TOUCH POINT: CLIENT SPOTLIGHT



Butler Behavioral Health

Butler Behavioral Health is a nonprofit community behavioral health center that was founded in 1958. The organization not only provides comprehensive behavioral health in Butler County, but recently expanded services into Preble, Warren, and Clinton counties.

Over 4,000 unique clients are served annually, with 35% being children and families. Some of its distinctive services include intensive Home-Based Therapy (known as WINGS), Integrated Care Management (known as Health Now) and Mobile Crisis Consultation.

The WINGS program served 279 families in FY18. These services aim to prevent out-of-home placements such as foster care, residential care or juvenile justice. 94% of families served would recommend WINGS to another family.

The Health Now program serves over 700 clients annually. The focus is on preventative solutions to both behavioral health conditions and chronic health conditions. 98% of clients served had a preventative care visit with their primary care physician.

The Crisis service is available 24/7/365 and provides mobile crisis services to Butler County residents. In FY18, 958 crisis services were provided. These services aim to prevent suicide and quickly engage the person into care.

Butler Behavioral Health values a "no wrong door" approach to provide quick and simple access to high quality behavioral health services.

For more information about Butler Behavioral Health, visit their website [here](#).

End Point

Winter offers the perfect time for organizational planning and assessment in general. As we think about the many benefits of working with others, please keep in mind the value of retaining our unique nonprofit culture. I so appreciate the tireless efforts of my good colleagues and send everyone an early Valentine of gratitude.



Marta



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OUR EMAILS**

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