

Project Pointers

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I love my consulting work and am grateful for so many wonderful clients and projects. At the same time, I am constantly thinking about the economic realities that have driven some of these assignments. Like everyone in our nonprofit community, some days bring feelings of sadness and frustration as I try to help colleagues balance client needs with tough resource decisions. Eventually, my optimistic nature takes over and I see the many benefits that may flow from change.

You may recall that the last newsletter shared lessons from my merger work because so many people had asked for them. But during these times that require an intense focus on mission, there are many other collaborative options to explore.

Partnerships and Strategic Alliances

When thinking about **partnerships and strategic alliances**, it is important to remember that they are not short term and tactical. The benefits are medium-to-long term and they are strategic in nature. Partnerships can bring additional, diversified services for the clients of both organizations, create a process for aligning passion and stability, expand funding opportunities and foster a deeper understanding of organizational strengths and weaknesses. Alliances also enhance board and volunteer engagement while creating a larger pool of employees who have specialized expertise.

This is all part of a fundamental change process. Nonprofit representatives may feel strong resistance to an alliance until they realize they are involved in a change process. Mourning and loss may be attendant, plus the speed of change impacts how people feel. Incremental change, such as implementing new software, can be easier for people to accept. More radical changes, such as responding to an ethical or financial crisis, may force people from their areas of comfort. Sometimes, moving too slowly will only prolong the pain - staff, board and volunteers benefit from moving quickly in a focused manner.

When two organizations work together, they meet at some point along a **partnership continuum**. Each of these continuum stages will be discussed briefly.

Collaboration. The first stage is collaboration, a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals. This commitment rests upon a jointly-developed structure and shared responsibility. It includes the sharing of resources, although only a portion of each organization is involved. Collaboration is based upon the belief that large social issues and initiatives are more effective when multiple entities address them. For example, your agency might agree to meet with representatives from three other nonprofits to discuss health statistics and a proposed joint health fair.

Strategic Alliances. These intentional relationships allow organizations to serve clients in ways that are beyond the resources of any individual partner. This point in the partnership continuum always involves a partial or total change in the locus of control of one or more of the partnering organizations. With a formal agreement, decision-making is shared or transferred for the foreseeable future.

Strategic alliances usually fall into two categories. The first, **administrative consolidation**, involves the joint launching and managing of one or more administrative functions such as sharing or exchanging services. The second, **joint programming**, involves the joint launching and managing of one or more programs to further both missions. For example, two behavioral health organizations might create a joint 24-hour on-call process that improves response outcomes. A strategic alliance is a good compromise between a merger and little or no collaboration, one reason it is an appealing strategy.

Corporate Integration. As we move up the continuum toward more formal agreements, four kinds of corporate integration appear as options. These involve changes to corporate control and/or structure and include the creation or dissolution of one or more organizations.

Nonprofits may form a **management service organization** (MSO). This involves the creation of a new organization to integrate administrative functions or to increase efficiencies for participants. MSO's tend to have more impact on day-to-day operations, such as the unified ticketing system created by Pittsburgh arts organizations.

A **joint venture corporation** represents another type of integration. These usually are created for a specific, time-limited purpose and are separate from the other activities of the organizations. Both organizations share governance of the new entity, which has much autonomy and usually focuses on programmatic issues. Three nonprofits might create a joint venture corporation to offer foster care treatment. This would require some capital and risk, such as purchasing vehicles and creating a billing system.

The third type of corporate integration is the **parent-subsidiary structure**. With this, a new or pre-existing organization (parent) oversees the administrative and program services of other nonprofits (subsidiaries). The umbrella organization has a certain amount of control and authority over the others. For example, a nonprofit that offered computer training might go under the umbrella of a larger nonprofit that provided an array of training offerings.

Mergers represent the final corporate integration, the "high" end of the partnership continuum. A merger brings the integration of all programs and administrative functions to increase program quality and effectiveness. The organizations combine all assets and liabilities under one corporate structure. Often, both nonprofits dissolve and create a new one, although one may transfer assets and liabilities to the other. In the Cincinnati area, Theatre Four (IV)/Art Reach merged with Children's Theatre and became one legal entity.

To some readers, the above definitions may seem too structured or dull. In reality, they all represent dynamic, exciting opportunities to secure service excellence and broaden offerings. The conversations that result in any of these partnership options can be energizing and fun, just as the products should be.

I will share more merger process details in the next Project Pointers. As always, please continue to suggest content for the newsletters.

Glenna Parks, Operations Manager of Cincinnati Works, recently wrote, "I have always found your publications to be of excellent value to me personally but also as a tool to share with the staff." I hope most readers share her sentiments.

Best wishes,



Workshop Announcements

Project Management Workshops

**Marta's popular Successful Project Management workshop
will be offered on**

Tuesday, December 8 - 9:30 a.m. - 12:30 p.m.

at The Health Foundation of Greater Cincinnati

3805 Edwards Road, Suite 500, Cincinnati, OH 45209

Register online at: [Workshop Registration](#)

Marta's Project Management workshop

will also be offered on the following dates in 2010:

Tuesday, April 27 - 9:30 a.m. - 12:30 p.m.

Thursday, December 9 - 9:30 a.m. - 12:30 p.m.

**Registration information will be available in December
at The Health Foundation of Greater Cincinnati's [website](#)**



Marta's New Workshop!

Think Strategically Before Making

Tough Decisions and Acting

This workshop will include some methods for responding to these challenging times, including evaluating, refocusing and prioritizing your work and services, fostering resiliency and considering collaboration as a new or expanded strategy. This workshop is limited to executive leaders and board members. Attendees will complete a brief written assignment prior to the class date.

Class Dates: January 14 and April 21, 2010
Class time - late afternoon time will soon be announced
Registration information will be available in December
at The Health Foundation of Greater Cincinnati's [website](#).

Resource Highlight:

Limited training resources?

Susan Gamel Otto of Training-Modules.com, LLC documents and designs Instructor and Participant Guides - generic and customized - for organizations that have their employees deliver the training. Emphasis is on performance outcomes through the use of highly interactive simulations, games, and activities, which address the adult learners' needs. For a 5% discount on her modules, tell Susan you heard about Training-Modules.com from Marta. Other products available from Susan include eWorkbooks, AudioCasts and Training Kits, which provide learning options for individual contributors when classes are unavailable.

To order:

[eWorkbooks](#)

[AudioCasts](#)

[Training Kits](#)

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