

WISE GIVING™

GUIDE

BBB WISE GIVING ALLIANCE : WINTER/HOLIDAY 2016



The Sum of Our Parts: Collaboration in the Charitable Sector





A Publication of the
BBB Wise Giving Alliance

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.

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president's MESSAGE

We chose collaboration as the theme of our cover story because we strongly believe that regardless of how well an organization is doing on its own, it can do better with the right partners. There are other reasons too: the never ending growth in the number of charities doing similar work, new players in the social good space that historically was the sole province of charities, and new tools that will make it easier for charities to identify potential collaborators, experiment and innovate. For all these reasons, charities that are focused on delivering the best results for society should work in collaboration with others.

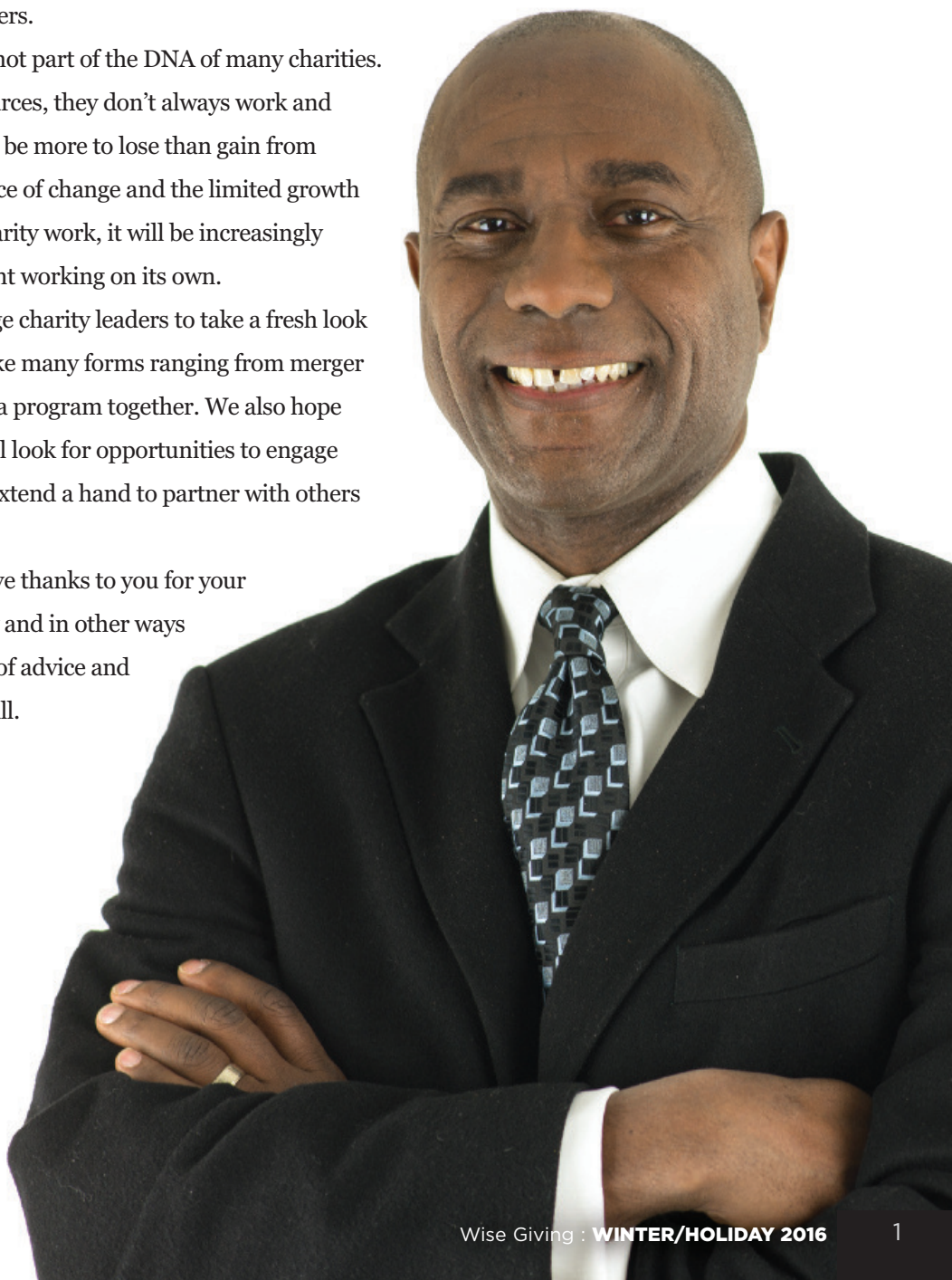
Yet collaboration is not easy and not part of the DNA of many charities. Collaborating can take time and resources, they don't always work and partners can be fearful that there may be more to lose than gain from working with others. But given the pace of change and the limited growth in financial resources available for charity work, it will be increasingly difficult for a charity to remain relevant working on its own.

We hope this article will encourage charity leaders to take a fresh look at the value of collaboration. It can take many forms ranging from merger to a much smaller step of working on a program together. We also hope those of you who support charities will look for opportunities to engage more deeply with organizations that extend a hand to partner with others to find new opportunities and value.

As this is the giving season, we give thanks to you for your collaboration with us, both financially and in other ways including your many calls and letters of advice and thoughtfulness. We appreciate them all.



H. Art Taylor, *President & CEO*





The Sum of Our Parts: Collaboration in the Charitable Sector

By Edward Loftin

The charitable sector presents a wide range of resources and expertise and addresses a diverse set of issues, from natural disasters such as Hurricane Matthew to local social services in communities across the country. While partnerships in the charitable sector are not entirely new, collaboration needs a shot in the arm to encourage both donors and charities to think about the ways organizations come together to address problems they may not be able to solve alone. Furthermore, the philanthropic community doesn't exist in a vacuum, and outside partners in other sectors can potentially make trustworthy collaborators. Successful collaboration can help charities and their partners achieve something greater than the sum of their parts.

In this edition of the *Wise Giving Guide*, BBB Wise Giving Alliance (BBB WGA) highlights collaborations, including both hurdles to and reasons for partnerships, with specific examples from charities, while keeping in mind the significance of the donor. Kathryn Harper, Director of Resource Mobilization at InterAction, a Washington, D.C.-based alliance of over 180 domestic and international aid organizations, calls the donor the “ultimate collaborator.” She explains that donors “give through, not to” a charity in a collaborative relationship to provide resources to those in need with the hope of achieving an intended result.

Don't rock the boat: Barriers to collaboration

Organizational change can be scary. The faintest whisper of “merger” or “cost cutting” in the office break room can cause panic. Many employees may fear losing their livelihood or position within the organization. Some may view collaboration as a desperate effort between low-performing charities to find lightning in a bottle, rather than high-performing groups coming together to create new value. Negative perceptions

about collaboration may lead charity executives to turn down partnership opportunities sight unseen, or, at the very least, fail to encourage a culture receptive to collaboration and potentially miss opportunities to better serve their mission.

Barriers to collaboration are hard to measure. In 2014, however, the Bridgespan Group and Lodestar Foundation published *Making Sense of Nonprofit Collaborations*, which contains their survey results of 237 nonprofit CEOs and 101 foundation officers to get a handle on the issue. The survey measured four types of collaborations with various levels of integration among the partners. From lowest to highest level of integration, the collaboration types are: associations, joint programs, shared support functions, and mergers. Nonprofit CEOs identified potential partners, defining partner relationships and roles, and cultural integration as the biggest barriers to collaboration, even before costs, risk, branding, measuring success, and other factors. In contrast, foundation officers said identifying potential partners is the least concerning barrier to collaboration, which suggests nonprofits and foundations could benefit from increased communication to find suitable organizations with which to join forces.

The Bridgespan report also revealed that nonprofit leaders think foundation funders are not supportive of collaboration. On the flip side, foundation leaders say the most common reason they don't support collaborations is that grantees did not request support, hammering home the communication barrier between nonprofits and funders. Nonprofit leaders were also concerned about communicating the ongoing costs of collaborations to foundations.

BBB WGA's vision of collaboration between charities and partners recognizes that charities are concerned about many factors when they decide to partner, including cost and mission alignment. We want to

encourage charities to further their mission through the creative use of their current resources with like-minded partners. For charities with limited collaboration experience, resources such as the Grantspace Collaboration Hub provide publications, videos, podcasts, blogs, and over 650 vetted collaborations where charities can get their feet wet. Although a charity may think it doesn't have the time, money, or manpower to partner with others, looking at collaboration with a fresh set of eyes may help an organization realize that its assets are greater than it thinks.

Why collaboration?

Even the largest charities can't always fulfill their missions on their own due to limited time or resources, but they can join forces with other organizations to avoid duplication of efforts and address mutually shared goals. This scenario is common in the international development community. Sharing resources can potentially lead to savings, greater productivity, and efficiency. Partnering can also produce a louder voice in charity advocacy efforts. Businesses typically use collaboration with the bottom line in mind, but charities use collaboration to serve their cause. The most important reason for collaboration is to increase the likelihood of success, whether the goal is for a food pantry to serve more meals or an international charity to aid the victims of a global health crisis.

Although the Bridgespan report helped identify barriers to collaboration, perhaps the most significant finding is that more than 70 percent of nonprofit CEOs and foundation leaders who were surveyed said they think collaborations are successful across all four types. Furthermore, the nonprofit leaders wanted increased collaboration across all partnership types, especially in the joint program category, with 86 percent showing support for the model that includes "extended partnership on a program, integration and agreement, but with separate governance."

I'll scratch your back, you scratch mine

In *The Reciprocity Advantage: A New Way to Partner for Innovation and Growth* (Berrett-Koehler Publishers, 2015), authors Bob Johansen and Karl Ronn provide a simple flow diagram called Steps to Scalable Reciprocity, which is an instructive model for charity collaboration. The first step is for organizations to find their "right of way," defined as the "existing platform where you already have permission to innovate with authenticity." The right of way for a large tech firm may be different than that of a local food pantry, but even the smallest charity can discover its unique resources or area of expertise.

Once the right of way has been established, collaborations can be developed with an eye toward relationships with partners that can "lower your risk, increase your innovation potential, and look out for you." The third step is to "learn by experimenting," including giving away assets "intelligently in order to learn how to accomplish what you could not do alone." The process is described as open, low cost, and iterative. Only after partnering and experimenting, an organization can "scale it," which is the final step in the model.

The Reciprocity Advantage shows that partnering needn't be overly costly and risky, and it hints at new directions for partnership based on *socialstructuring*, described by Marina Gorbis as an environment in which society and institutions are heavily influenced by technology. Gorbis, Executive Director of the nonprofit think tank Institute for the Future in Palo Alto, California, points out that "how we create value, govern, trade, learn, and innovate are being reshaped," and that the socialstructured world will rely on microcontributions, nonmonetary rewards, community organizers, and large networks. An example is Wikipedia, the online encyclopedia that creates value through partnering with the public by giving them the ability to edit content.

What does this mean for collaboration? According to Johansen and Ronn, socialstructuring means "radically new ways of partnering" and a "big shift in the diversity of potential partners." Socialstructuring also means that charities can "expect more partnerships involving very large and very small players because it will become much easier to find potential partners and work together," they observe. This will address the biggest concern of nonprofit CEOs, as described in the Bridgespan report.

Now that we have covered some of the pros and cons of collaboration, as well as some fresh approaches, we turn to the hands-on practice of partnership with examples from the charity community.

Updating a classic: United Way Worldwide

United Way Worldwide, the parent organization of 1,200 local United Way offices, recognizes that even a charity with a household name needs to evolve to remain competitive. According to Paul DeBassio, United Way Worldwide's Executive Vice President of Investor Relations, the willingness to partner shows his organization's ability to "adapt to changes in the marketplace and transform to meet needs for the purpose of community change." United Way Worldwide's strategic partnership agreements, such as its recently launched collaboration with Eli Lilly and the United Way of Central Indiana, formalize specific

commitments in the areas of employee and community engagement, education, income, health, and basic needs. Specific elements of the partnership include coordination of literacy programs for at-risk students, support for public investment in a health and human services referral help line (2-1-1), a community initiative to promote healthy weight in the children of central Indiana (Jump IN for Healthy Kids), and international efforts to help individuals with multidrug-resistant tuberculosis and diabetes. DeBassio emphasizes that the partnership focuses “not just on dollars raised, but on measurable community impact in central Indiana, as well as across the nation and around the globe.”

The United Way Worldwide partnership fits nicely into the Steps to Scalable Reciprocity flow diagram. The charity:

- leveraged its right of way in the community philanthropy sphere,
- found a trusting partner in Eli Lilly,
- learned by experimenting over many years of working together, and
- scaled the partnership into a formal collaboration.

With over 84 global collaborations, United Way Worldwide is well-versed in teamwork. However, donors in the age of instant access to information about charities also want results. DeBassio explains that his organization takes the next step in their partnerships through the use of measurement tools with specific goals, helping to create “strict accountability” among partners. Without measurement and accountability, a collaboration runs the risk of becoming an empty promise.

Collaborating for health: American Heart Association

The American Heart Association’s Chief Administrative Officer, Sunder Joshi, indicates that one of his organization’s guiding principles is “building powerful partnerships.” He elaborates: “Achieving our aggressive health impact goals will require collaboration with a multitude of partners who can bring unique expertise, influence, and reach to help us rapidly scale evidence-based programs that can drive meaningful health impact.” One example of the American Heart Association’s collaborative efforts comes from a partnership with the American Medical Association, called Target: BP, which focuses on helping hospitals, physicians, and care teams improve blood pressure control rates in clinical settings. To measure success, participants provide data upon registration, such as total adult patient population, percentage of population with high blood pressure, and percentage under control. Participants have an annual opportunity to submit additional data as part of the achievement awards process.

The American Heart Association also partners with the Robert Wood Johnson Foundation to produce Voices for Healthy Kids. According to its 2015 progress report, Voices for Healthy Kids funded 50 projects in 26 states in its first two years, focusing on advocacy efforts that seek to attack the root causes of childhood obesity: unhealthy eating and lack of physical activity. Although the American Heart Association and the Robert Wood Johnson Foundation headline the effort, the collaboration relies on teamwork from many others, including Safe Routes to School, a Minnesota funding program geared toward creating infrastructure improvements for kids who walk and bike to and from school; the Healthier Iowa Coalition, which supports changing liability laws related to the after-hours usage of school recreational facilities; and Upstream Public Health, an Oregon health advocacy group that seeks to limit junk food marketing in schools. According to the *American Journal of Public Health*, the enactment of legislation pertaining to childhood obesity in states with active Voices for Healthy Kids grantees was 50 percent higher than in states without the program, illustrating the American Heart Association’s successful partnership with both the Robert Wood Johnson Foundation and a variety of other stakeholders.

Domestic violence and animal rights: RedRover

A charity doesn’t need a household name to collaborate. RedRover, a California-based charity, partners with animal rights and domestic violence groups, among others, to help victims and their animals in times of crisis. According to the organization’s website, its Safe Escape grant program helps “families with pets safely escape domestic violence together.” The grants typically cover the cost of pet boarding while owners are in domestic violence shelters. In partnership with Sheltering Animals and Families Together, the charity also provides grants to domestic violence shelters that need funding for on-site pet housing. RedRover uses memorandums of understanding (MOUs) to maintain accountability in its alliances with groups such as the Academy on Violence and Abuse, the National Coalition on Violence Against Women, and the National Council for Animal Protection.

Fire safety: American Red Cross

Another collaboration comes from the American Red Cross in its partnership with the Southern Baptist Convention in the Home Fire Campaign. According to Harvey Johnson, Senior Vice President of Disaster Cycle Services at the American Red Cross, his organization provides “training, planning support, and materials”

to help Southern Baptist home visit teams that are tasked with providing fire safety education and installing smoke alarms. With the Southern Baptist Convention and thousands of other partners, such as the Federal Emergency Management Agency and Habitat for Humanity, the Red Cross reported in March 2016 that the Home Fire Campaign has installed over a quarter million smoke alarms and helped save 77 lives.

Cancer moonshot

Not all charity collaborations begin in the boardroom. In his final State of the Union address, President Obama tasked Vice President Joe Biden with leading the Cancer Moonshot, a collaboration in the fight against cancer. In June 2016, Biden joined over 350 cancer researchers, oncologists, patients and their families, and others for the Cancer Moonshot Summit at Howard University, supported by a National Day of Action that included 270 events around the country. The Cancer Moonshot Task Force announced “additional investments, improved polices, and new private sector partnerships” focused on cancer-related science, data, new therapies, prevention and diagnosis, access, and care, with the goal of doubling “the rate of progress towards a cure.”

The charity community has also heard Biden’s call to action. Some organizations, such as the American Cancer Society and the Breast Cancer Research Foundation, are supporting the Moonshot by committing to doubling their research budgets in the next five years. LIVESTRONG at the YMCA, a partnership between the two organizations, has committed to double the size of its program by 2021 in hopes of serving 100,000 cancer survivors and integrating the program into clinical practice. LIVESTRONG at the YMCA provides free 12-week conditioning and strength training programs for adult cancer survivors. It has served 41,000 individuals at over 500 YMCA locations and has trained over 3,000 YMCA staff members since its inception in 2007.

I trust you, but ...

Trust is a critical component of collaboration, but it isn’t built overnight. Sometimes trust comes from reputation or is developed over years of working together. Harper of InterAction points out that “trust is not a one way street,” and if an organization expects trust from partners and donors, it must itself “constantly earn and re-earn trust.” Resting on the laurels of a name brand is not an effective strategy for earning trust in collaborative relationships with partners.

Joshi of American Heart Association emphasizes several factors that led to a trusting arrangement with the Robert Wood Johnson Foundation. Beyond the

long history of partnership and deep understanding of each other’s assets and strengths, Joshi cited open communication as an important element of collaboration, explaining that the partners “take the time to meet face-to-face at critical times in the development and evolution of the initiative.” Along with information sharing and transparency, Joshi explained that the American Heart Association found a “link between rigorous process and collaborative success,” with “considerable due diligence in the planning phase and the development of an MOU so that we could arrive at consensus early on potential areas of conflict.” The partnership also included decision-making matrices that outline roles and responsibilities.

Finding a trustworthy collaborative partner goes beyond instinct or a gut feeling. While a shared history is certainly valuable, it cannot replace doing your homework about potential partners and expecting accountability from all parties once the ball is rolling. To put it in President Ronald Reagan’s words, charities need to “trust but verify” when seeking collaborative partners. Donors can also benefit by being similarly vigilant when they examine charity partnerships.

Putting our money where our mouth is

BBB WGA has been involved with numerous collaborative efforts over the years. With input from over 200 nonprofit and philanthropic leaders, BBB WGA collaborated with GuideStar and Independent Sector to develop Charting Impact, a tool to help charities report on their goals and achievements. In 2013, we partnered with Charity Navigator and GuideStar as part of the Overhead Myth campaign, an effort to debunk “the false conception that financial ratios are the sole indicator of nonprofit performance.” BBB WGA has also assumed a supportive role in the #GivingTuesday campaign, a broad collaboration between charities and businesses in response to Black Friday and Cyber Monday, led by 92nd Street Y, a New York cultural and community center. This global day of giving has raised over \$100 million in over 70 countries.

Collaboration comes in many forms, with partnerships among charities and governments, houses of worship, businesses, community groups, and, of course, other charities, to name just a few. Potential partnerships are limited only by the imagination. As diverse as collaborative efforts are, we have seen that they don’t always need to be expensive or risky. Rather, through creativity, iteration, diligence, and experimentation, charities can work together to create programs that are more than the sum of their parts to further their missions. ■