Why and How Do Nonprofits Work Together?

BERNARD SIMONIN, MAY SAMALI, NADA ZOHDY, NATHALIE LAIDLER-KYLANDER
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Nonprofit collaborations are at an all-time high. Recent surveys conducted by the Bridgespan
Group and the Patterson Foundation reveal that 91 percent of nonprofits engage in some form of collaboration. In turn — and contributing to some of the confusion around collaboration — a number of terms have emerged that attempt to capture these complex relationships: from formal partnerships and mergers to collective impact efforts, there are more than a few ways to approach collaboration.

What seems to be missing from the discussion, however, is a fundamental understanding of why and how nonprofits collaborate. In an effort to shed light on the answers to those questions, we interviewed thirty U.S.-based and international nonprofits — across the fields of health, education, civic engagement, social services, arts, and the environment — with a strong reputation for working well with others. Their stories provide some insight, which we share here, into the strategic intent and different approaches to collaboration in the nonprofit sector.

**Why Do Nonprofits Collaborate?**

Although nonprofits choose to work collaboratively for a wide range of reasons, we found that most nonprofits team up for one of three main reasons: to boost organizational efficiency, increase organizational effectiveness, or drive broader social and systems change.
**Organizational efficiency.** An increase in organizational efficiency means an organization is able to accomplish its work more quickly and with fewer resources. For example, OpenGov Hub's co-working space in the District of Columbia allows for the creation of economies of scale and shared resources, resulting in lower rent and overhead costs for the thirty open-government organizations that use the space.

**Organizational effectiveness.** An increase in organizational effectiveness means an organization is able to advance its stated mission more successfully. The Greater Boston Interfaith Organization, for instance, trains congregational leaders and uses its collective influence to build "people power" in the service of social justice reforms. The result is a stronger group of organizations that are able to advance their stated missions and common objectives more effectively.

**Broader social and systems change.** In contrast to nonprofits focused on boosting their organizational efficiency and effectiveness, many nonprofits embrace collaboration as a way to leverage their own efforts to achieve broader systems change. Such an approach, when executed successfully, allows the collaborating organizations to experiment with different solutions to a problem in pursuit of social and systems change, and to position their activities and efforts relative to and in conjunction with other players. Providence Children and Youth Cabinet (PCYC) brings together seventy-plus organizations to support comprehensive "cradle to career" development pathways for youth in Rhode
Island — in the process, linking a variety of education, public health, and child welfare issues into a comprehensive framework. Collective impact and networked-based approaches often guide these efforts.

**How Do Nonprofits Collaborate?**

The **3C Model** (Cooperation, Coordination, Collaboration) — a commonly used model in the for-profit sector — categorizes organizational efforts to work with others along a spectrum of increasing intensity, starting with cooperation and progressing through to collaboration:

**Cooperation.** Cooperation consists of shorter-term, informal and low-risk relationships based around an exchange of tangible assets such as office space and physical software, and intangible assets such as information and ideas. Organizations routinely engage in cooperative arrangements to increase organizational efficiency and (sometimes) effectiveness. **Big Bang Philanthropy** is a collaborative of institutional funders focused on poverty alleviation. Tom Fry, a member of the collaborative, explains that a central goal of the organization is to promote the flow of dollars to NGOs that are creating the greatest impact. He characterizes Big Bang as a learning community where members exchange information and profile grantees to accelerate the flow of funds. "It's a symbiotic relationship," explains Fry. "Each member brings their expertise and knowledge, and that enhances everyone's decision-making ability."

**Coordination.** Coordination entails formal relationships around specific efforts or programs.
Organizational resources are made available to partner organizations and rewards are shared. As such, coordination requires a greater degree of commitment, time, and resources than cooperation. It can also result in larger gains in organizational efficiency and effectiveness. **InterAction** is the largest alliance of U.S.-based NGOs focused on disaster relief and sustainable development internationally, providing a platform for its one hundred and eighty-plus NGO members to join forces and provide a strong and unified voice on policy issues affecting the field. InterAction has a permanent seat on the UN's InterAgency Standing Committee, and much of its success is derived from its coordinated policy advocacy efforts to attract government funding for humanitarian relief and development efforts, which is then channeled through and implemented by its members. Such coordinated efforts to influence policy and government funding increases both the organizational effectiveness and efficiency of InterAction's individual member organizations.

**Collaboration.** Collaboration usually involves a more durable and pervasive relationship between two (or more) organizations that results in a new structure and shared mission. Partners pool or jointly secure resources and share the results and rewards of their joint efforts. Often, objectives and outcomes are specifically defined and measured. Compared to cooperation and coordination, collaboration is less transactional and more transformational. **Industry Employment Initiative** (IEI) is a collaboration borne out of a mutual desire on the part of the CEOs of **Social Ventures Australia**,
the **Brotherhood of St Laurence, Jesuit Social Services**, and **Mission Australia** to "do something" about long-term unemployment in that country. Social Ventures Australia provides the fundraising, project management, relationship management, and partnership brokerage expertise and partners with service providers who have expertise working with disadvantaged populations on the ground. IEI takes the work those organizations are doing and scales the parts that are working well in order to achieve the greatest possible social impact. Partners are focused on change beyond their organizational boundaries, in the hope that by collaborating they can create greater social and systems change than would be possible by any individual organization working alone.

**Lessons for Nonprofit Leaders**

We leave nonprofit leaders with a few recommendations for approaching their existing or new collaborative efforts:

**Be clear on the "why."** Working with other nonprofits is a means to an end, not an end in itself. Understand your organization's fundamental reasons for working with others. Clarity of focus is key. Are you looking to increase your organizational effectiveness and efficiency? Solve a specific social problem with key partners? Or drive broader social or systems change?

**Be agnostic on the "how."** Your organization can (and perhaps should) be engaged in different partnership approaches with different partners in different contexts, with the aim of achieving different goals.
Understand your value-add. If you understand your organization's core competencies and what it is able to bring to the table, you'll be in a better position to leverage those assets and have them be complemented in your work with other nonprofits.

Know your limits. Be mindful of your commitments and be careful of over-committing to cooperative, coordinated, and/or collaborative arrangements. What is your net return on collaboration? Know when and how to exit any relationship involving one or more partners.

The complexity and magnitude of the social, political, and economic challenges facing our twenty-first-century world are at unprecedented levels. These challenges cannot be tackled alone. Moving the needle requires concerted, collaborative action. To that end, nonprofits should focus on how to best work together to create real, significant social impact. When thinking about collaboration, nonprofits should always start with the why and then consider the different how options on the action spectrum. Cooperation, coordination, and collaboration are distinct approaches that serve different ends, and each approach is appropriate for a certain context. Ultimately, when nonprofits combine forces, they can accomplish great things. Collaboration can change the world.

May Samali is a Master in Public Policy candidate at the Harvard Kennedy School and a Gleitsman Leadership Fellow and New World Social Enterprise Fellow at Harvard's Center for Public Leadership. Nathalie Laidler-Kylander is a managing director at the Draper Richards
Kaplan Foundation and a lecturer at the Harvard Kennedy School. Bernard Simonin is a professor of marketing and international business at the Fletcher School of Law and Diplomacy at Tufts University. And Nada Zohdy is a graduate of the Harvard Kennedy School and manager of the OpenGov Hub in Washington, D.C. Special thanks to our research team for assistance with interviews and the Harvard Kennedy School Center for Public Leadership for its support.

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