



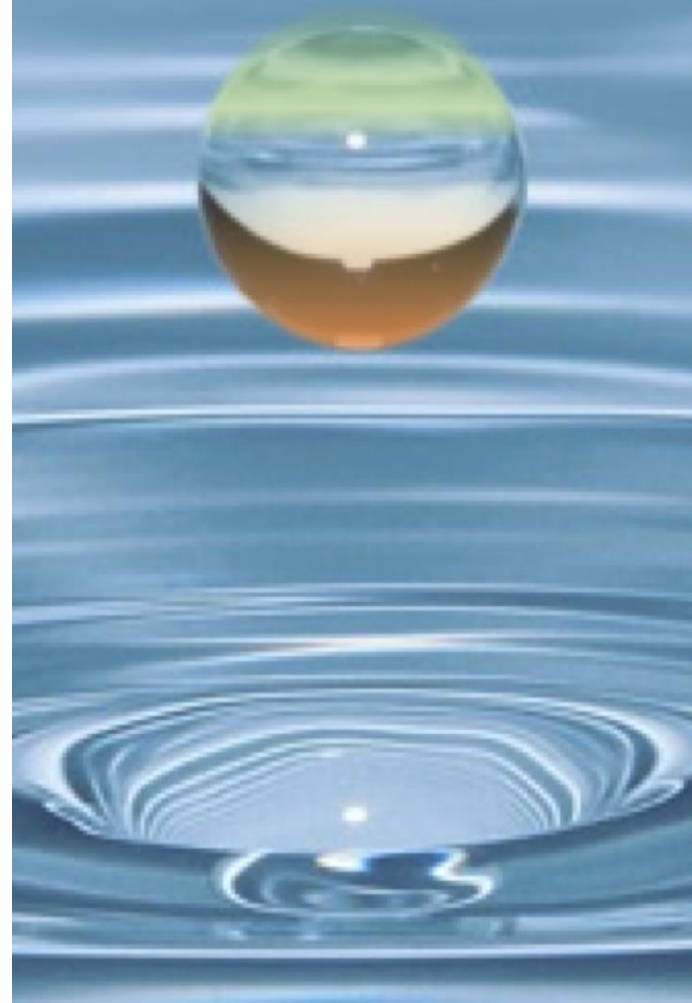
# CAPLOR HORIZONS RIPPLE PAPERS

*...creating ripples of change*

## Collaboration between Charities

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Jean Sellar, Ian Williams & Jake Bharier



*Learning differently*

*Thinking differently*

*Acting differently*

## Collaboration between Charities

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### Summary

Collaboration between charities is frequently regarded as a popular option – be it for increased reach or wider funding opportunities. The potential for accelerating meaningful change is often very positive. This paper looks at the ‘why’, ‘how’ and ‘what’ of collaborative working in the in the not-for-profit sector. It is intended as a practical paper to assist people considering this. We have compiled a list of top tips for successful collaboration:

#### **S**hoe Leather

Have you researched possible partners? Have you met with and discussed options with these possible partners? Have you almost worn out your shoe leather making relationships and exploring possibilities?

#### **U**ser focused

Will the collaboration help you to reach more people and to provide a better service? If it is beneficial to your beneficiaries then it is likely to be beneficial to your organisation.

#### **C**ultural fit, compelling purpose and strategic edge

Are you satisfied that the collaboration is attuned to your organisational direction and ideally generate unique selling point(s)? Organisational culture is important. Are the organisations you are going to be collaborating with sufficiently aligned? It is said that “culture eats strategy for breakfast” so ensuring the right cultural fit is vital.

#### **C**larity and Communication

Are you ensuring as much clarity as possible from the beginning? Do people, internally and externally understand why and how the collaboration is happening? You might have strategic synergy, operational fit and the perfect cultural match – however, without clear enough communication, it could all fall down.

#### **E**nergy sustained

Collaboration takes time and lots of effort. This often has to be sustained over long periods of time. Do you have sufficient support in place to maintain the energy levels of all involved throughout the process?

#### **S**ufficient autonomy

Will your team feel ownership of the new structure and strategy? Is there room and opportunity for negotiation? Try to avoid a “what’s mine is mine and what’s yours is negotiable”<sup>1</sup> situation! The new collaboration may have a compelling purpose and enable you and your partner(s) to master the whole area that you are working with. However, it will have most chance of success if people retain sufficient autonomy.

#### **S**tress!

Do you have what is necessary in place to help you, your organisation and your team deal with the stress and strains of collaboration? The more strategic the level of collaboration, the more uncertainties there will be. Peoples’ sense of security can be threatened. It is important to be as supportive as possible and lead your team through the transition period with as clear a vision as possible of the new future.

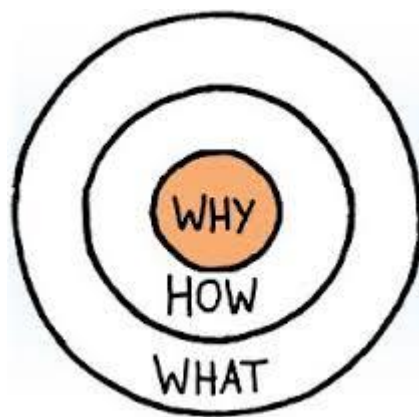
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<sup>1</sup> John F Kennedy: “We cannot negotiate with people who say what's mine is mine and what's yours is negotiable.” [The Berlin Crisis: Radio and Television Address to the American People, July 25, 1961]]”

## Introduction

This paper aims to give a practical insight into collaboration in the not-for-profit sector internationally – with a particular focus on Bermuda. This is because it was created to support a presentation on collaborative working between organisations in Bermuda.

The paper is structured around the ‘Golden Circle’ concept developed by Simon Sinek, which examines motivation and levels of effective communication. By starting with the reason ‘why’ we collaborate, we are best able to motivate and to understand the need and drivers for this type of working. Less compelling, but still very important, is to examine ‘how’ to go about collaborating. How we go about collaborating can make or break the final result. The different forms of collaboration are effectively the ‘what’; these can vary from time to time and in different circumstances. It is necessary to understand the what, the different forms of collaboration; however, they are likely to ultimately have less impact motivationally, or to the final result, compared to the why and the how.



*For more information on the Golden Circle and Simon Sinek, take a look at his TED talk:*  
[https://www.ted.com/talks/simon\\_sinek\\_how\\_great\\_leaders\\_inspire\\_action?language=en](https://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action?language=en)

## Why?

Collaboration is a broad area to consider and there are a range of types – from informal and simple to more complex set ups including group structures, mergers and acquisitions; the higher the level of integration, the more formalised the approach. It may sound obvious but by really understanding “why” you are looking for collaboration is essential to success – it will save you time early on and help to point you in the right direction.

Organisations working in the not for profit sector tend to share an impulse to bring about positive change. For instance, a world free from injustice and inequality. Since many organisations are striving to achieve the same goal, it is unsurprising that there are many examples of collaboration across the sector.

Bermuda boasts more charities per square mile than anywhere in the world. There are over 300 registered non-profit groups on the Island, generating \$70 million in revenue or around 1.1 percent of Gross Domestic Product.

Non-profits now employ in the region of 1 million people in the United Kingdom<sup>2</sup>. It is often reasoned that by working together many of these charities could reach higher levels of effectiveness. An example of collaboration in Bermuda is The Inter-Agency Committee for Children and Families. This is for organizations providing services to children and families. It meets for the purposes of building collaboration and shared standards to promote more efficiency in delivery of services with their constituents.

Whereas separate organisations competing for the same resources tend to face a win/lose situation, organisations that come together to gain collaborative access to the resources are more likely to face a win/win situation. In fact, in successful collaboration often this situation can lead to greater gains than just win/win – often portrayed as ‘1+1=3’: this signifies that, by working together, organisations can not only achieve their previous goals but potentially more, thus transforming their potential impact. Beneath the overriding rationale of working towards a better world, there are several underlying internal and external drivers of collaboration. These include:

#### **External**

Opportunity for an increased impact – enabling you to reach more people, provide a better service and have greater impact

Stronger influencing capacity – working together can give greater authority and credibility with key decision makers.

#### **Internal**

Reduced costs and lower overheads – possibility of improving organisational effectiveness and making better use of often limited resources.

Learning and skill development opportunities – charities can share experiences and develop new and better ways of working

Wider funding opportunities – often donors view collaborative working as a way of getting better value for money, therefore working together could open up new income generation opportunities. For instance, increasingly opportunities exist for consortiums to be formed in order to bid for funding

#### **How?**

Both in the not-for-profit sector, and in the business world, three things have been cited as essential when approaching collaborative working:

1. A cultural fit
2. Strategic synergy (‘1+1=3’)
3. Operational match.

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<sup>2</sup> <https://www.statista.com/statistics/676694/employment-non-profit-organisations-in-the-united-kingdom/#:~:text=This%20statistic%20presents%20the%20number,that%20employed%20over%20500%20workers.>

Within this context, there are several more elements to consider when approaching collaboration with other organisations. For instance: how the process, and envisaged future, is communicated internally and externally; what level of integration is being aimed for; the strategy and planning details to bring the intended collaboration to fruition; consideration of team dynamics and organisational structure - who this will affect and how can the transition be as positive as possible. Each element will be different depending on the situation and organisation.

Umbrella organisations all over the world, such as the Charity Commission in the UK and the Australian equivalent, offer support to organisations thinking about collaborative working. Examples include:

The UK Charities Commission's Tips for successful collaborations:

1. Be clear that any collaboration is in the interests of your charity's beneficiaries
2. Make sure you are satisfied that the collaboration furthers your charity's objects
3. Ensure that your agreement clarifies objectives, processes, roles and responsibilities
4. Pay attention to communications and make sure that all stakeholders understand how and why your charity should collaborate
5. Make sure that your charity's independence is not compromised

CollaborationNI (Northern Ireland) gives advice from managers and directors who have been through a collaborative working process themselves. For example:

*Roisin Foster, Chief Executive Officer, Cancer Focus*

- Be open to new learning; you can always learn from other organisations.

*Maeve Monaghan, Chief Executive Officer, NOW Project*

- Get your own house in order before funders try to do it for you; begin a dialogue for moving from partnership to true collaboration.

*Grace Henry, Organisational Development Consultant*

- See it as a positive; sharing resources, ideas, and creativity and developing solutions together is a good thing for the sector.

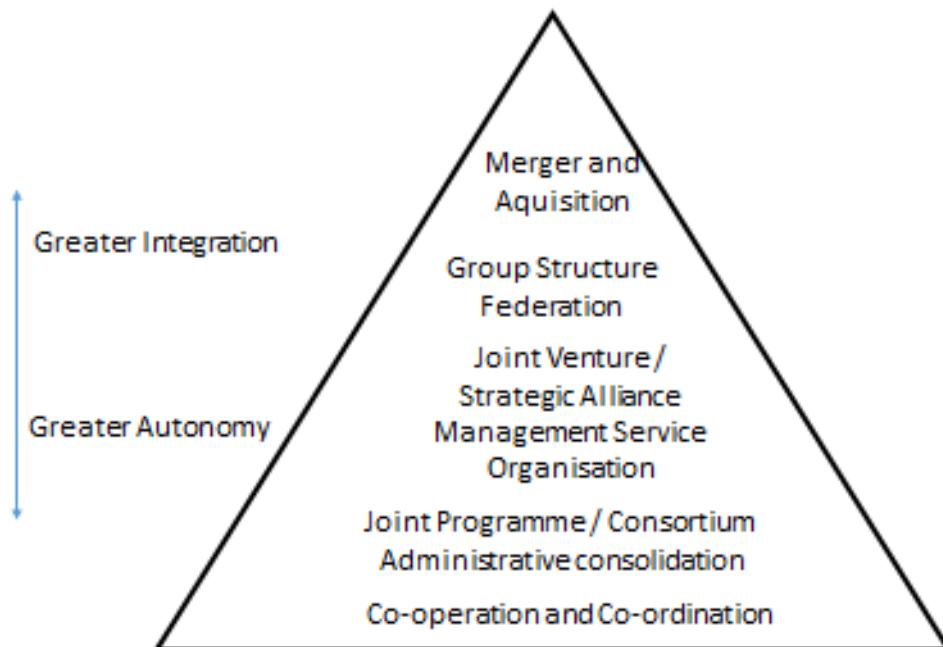
For more information on the advice given by other organisations about collaboration, please see the 'Recommended Reading' Section in the Annex.

## What?

There are many forms of collaboration, ranging from informal coordination to full-scale mergers. It is generally considered that, the greater the integration, the less autonomy individual charities retain. However, if handled well, even more strategic forms of collaboration can still lead to teams feeling a strong sense of autonomy.

The type of integration and collaboration that will be most appropriate for your organisation will depend on the drivers and desired outcomes. It is important to gain sufficient learning about the principles and tools for collaboration so that people can then have well informed and clear discussions about the strategic case for collaboration, notably drivers and outcomes.

Here is a model developed by Mike Hudson<sup>3</sup> representing the various levels of collaboration possible:



### **Cooperation and Coordination**

For example; running joint events, networking, shared advertising, shared office facilities or just simply shared ideas for working towards a common goal. At this level, each organisation tends to maintain its own identity and independence, although – for instance - a collaborative event may fall under a joint name. Usually this type of collaboration is achieved fairly quickly. It generally has relatively low cost.

### **Joint Programme /Consortium/ Administrative consolidation**

Within this level of collaboration, the relationship between organisations will be underpinned by more formalised and strategic level arrangements, including agreements about objectives, roles, cost-sharing arrangements and so on.

<sup>3</sup> Mike Hudson, *Managing at the Leading Edge*, 2005

## **Joint Venture/Strategic Alliance/Management Service Organisation**

For example, in a joint venture, the parties involved come together for a medium or longer term initiative; a legal entity is typically established which they jointly own and control.

## **Group Structure or Federation**

A formal structure for separate organisations to work together is usually created; for example, a parent charity to all the organisations involved. Caplor Horizons has two resource papers specifically related to Federal structures (visit [www.caplorhorizons.org](http://www.caplorhorizons.org)). In these, wider reference is made to the writings of Charles Handy (social philosopher and management guru) who points out how federal principles can be helpful to organisational working more widely. In some cases of strategic level collaboration, a national umbrella organisation might exercise a degree of control over local independent charities. In these circumstances, members might be affiliated with the umbrella body and have access to the resources and expertise offered.

## **Merger and Acquisition**

Some collaborative working arrangements at lower levels of integration can lead, over time, to a merger. On other occasions organisations opt to select this option straight away. A merger is where two or more separate charities come together to form one organisation. When this happens, either a new charity is formed to continue the work of the original charities, or one charity assumes control of another. SayerVincent, for instance, breaks the merger process down into five steps<sup>4</sup>:

1. **Feasibility study:** undertaken to establish whether the merger is likely to work and deliver real benefits and to identify the major risks and potential problems. Issues usually dealt with (in the feasibility study) include cultural fit, legal difficulties, the legal form that the merged entity will take, and an analysis of the costs, benefits and risks of merger.
2. **Memorandum of understanding:** likely to include the objective, the outline plan and timetable, what each party will do and how costs will be shared; also, a communications strategy and a confidentiality agreement. A dedicated merger committee often oversees the process. Note: Memorandum of Understandings are not unique to mergers and they can be very helpful for other forms of collaboration.
3. **Due diligence:** each board must gain assurance that the merger really is in the best interests of their charity and that any risks have been properly identified and addressed.
4. **Proceeding to merger:** on completion of due diligence and assuming that it does not throw up any insurmountable problems, the boards of the parties will be in a position to settle the final terms and proceed.
5. **Post-merger:** once the merger has happened in legal terms, this is not the end. In many ways, it is the beginning. Full implementation can take years, especially if a complex reorganisation is involved. Due to the nature of mergers, they are often regarded as the riskiest forms of collaboration. They may take longer than other forms of collaboration as well involve more stakeholders.

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<sup>4</sup> <http://www.sayervincent.co.uk/wp-content/uploads/2015/07/MergersMadeSimple-SayerVincent-July2015.pdf>

## Conclusion

Due to the nature of the sector, collaboration is often reasoned to be very important between organisations. Yet at the same time, for various reasons, collaboration is often talked about more than it is acted upon. The drivers and forms of collaboration will vary depending on the situations faced by each organisation involved. However, ultimately collaborative working offers very significant potential for scaling up the difference that is made. As such it needs to be taken seriously and alongside assessing the pros and cons of 'going it alone': developing organically - without collaboration in one form or another - may limit progress towards the organisation's purpose.

Authors: Jean Sellar, Ian Williams and Jake Bharier

## Recommended Reading

### ***Why Collaborate?***

BOND, "Fast Forward: The Changing Role of UK-based INGOs"

Voluntary Action Scotland, "Putting the third sector at the heart of collaboration"

NPC, "Collaborating for Impact"

PWC, "Should charities collaborate more?"

### ***How to collaborate?***

Our Community, "How to Establish a Collaboration"

The Charities Commission, "Choosing to Collaborate: Helping you succeed"

Know How Non-Profit, "How to Collaborate"

SayerVincent, "Collaborative Working Made Simple"

The Centre for Nonprofit Excellence, "Collaboration Tool Kit"

CaplorHorizons, Facilitating Collaboration Between Organisations

Charles Handy, "The Second Curve: Thoughts for Reinventing Society"

### ***What forms of collaboration?***

The Charities Commission, "Collaborative working and Mergers – an introduction"

The Charities Commission, "Making Mergers Work"

Know how Non-Profit, "Mergers"

Know How Non-Profit, "How to Merge"

Institute for Voluntary Action Research, "Thinking about... merger"

VCS engage, "Collaborative working: building a consortium"

Know How Non-Profit, "Due Diligence".

SayerVincent, "Mergers Made Simple"



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<http://www.sayervincent.co.uk/wp-content/uploads/2015/07/MergersMadeSimple-SayerVincent-July2015.pdf>

## Caplor Horizons – Background

Established in 2014, Caplor Horizons is an independent charity. We work with other charities and responsible businesses and now have over 50 Advisors. These are outstanding people that bring specialist knowledge and experience. They contribute their time on a voluntary basis, or at reduced rates, so that Caplor Horizons can provide high quality and distinctive services at an accessible cost.

Working locally, nationally and internationally, we help other organisations think differently about themselves and the new horizons that they face. We support them in strengthening their leadership, renewing their strategy and improving their influence.

We want to encourage and assist a new generation of organisations that are committed to making a positive and lasting impact. We believe that if we are to achieve real, sustainable change, we need to inspire and enable people to learn differently, think differently and act differently.

**Our vision is:** *A world where leaders deliver a sustainable future for all*

**Our purpose is:** *To be courageous, compassionate and creative in facilitating transformational change*

**Our values are:**

- **Courage** – We are courageous change makers committed to challenging assumptions, taking risks and having difficult conversations
- **Compassion** – We are open, understanding and heartfelt, encouraging the nourishment of our whole selves and others
- **Creativity** – We learn, think and act differently, and are innovative and resilient in an ever-changing world

**Our beliefs are:**

- Through diversity we ignite dynamic innovation
- Collaboration helps achieve greater impact
- Everyone matters
- We are all leaders in our individual and collective ways – we are all change makers!
- Learning is more effective if it is fun, engaging and creative
- Building on people's strengths creates greater resilience

**Our strategic goals:**

- Goal 1: Transforming Leadership
- Goal 2: Strengthening Resilience
- Goal 3: Increasing Collaboration

Learning differently  
Thinking differently  
Acting differently

