Lawyers Alliance for New York

Connecting lawyers, nonprofits, and communities

40 YEARS 1969-2009

OCTOBER 2009

BOARD TALKING POINTS: COLLABORATIONS

Nonprofit organizations have a long history of collaborating in order to deliver more and better services than they can deliver alone. As nonprofits focus limited resources on core competencies, they are turning to collaborations as an efficient way to offer clients additional services and to tap financial and personnel resources for the organization that would otherwise be unavailable, e.g., capacity building. Working with others enables nonprofit organizations to fill gaps and offer successful programs that build on the strengths of the different participants and may, in certain instances, allow elimination (or at least reductions) through sharing of certain costs.

Questions regarding collaborations:

1. What does it mean to collaborate?

2. How do you choose a collaboration partner?

3. Do we need a written agreement?

4. Will collaborating save us money?

DISCUSSION POINTS

1. What does it mean to collaborate?

Collaboration is a term that is used to describe the process of two or more organizations working together to reach mutually agreed-upon goals. The term collaboration is used to describe a wide range of relationships from a short, informal relationship such as two-party linkages or referral agreements to multi-party complex arrangements that include a formal structure (possibly even another corporation or other separate legal entity) with shared resources, responsibility, authority, accountability and rewards. In the current economic environment, organizations are considering collaborations both as a way to sustain, or even develop, program services and to lower costs.

2. How do you choose a collaboration partner?

The more resources an organization is committing to a collaboration, the more effort it should put into both selecting its collaborative partners and (see 3 below) documenting the arrangements. Interview potential collaborators to discuss the: (i) agreed goals (including timing and measures of success), (ii) ability of each entity to contribute to the collaboration; (iii) what each entity needs from the collaboration; and (iv) the ability and mechanics of the groups working together. Conduct “due diligence” to determine the ability of the other organization to deliver on its promises and to ensure that the organization has a positive reputation in the funding and client community.

3. Do we need a written agreement?

Because of the complexity of a collaborative relationship, it makes sense to develop a written agreement. The Collaboration Agreement should clearly describe the agreement of the parties and should help avoid misunderstandings. It should function as a shared reference point when seeking guidance with respect to the actual day-to-day operation of the collaboration (for example, include a list of “deliverables” and applicable timelines) and each party’s role and responsibilities going forward.

4. Will collaborating save us money?

Not necessarily, but that may not be an objective. Generally, collaborations cost money. There are significant costs in conceptualizing a collaboration, building a collaboration, and managing a collaboration. Costs to the participants may include hard costs, such as purchasing a software program that enables the participants to manage data, or soft costs, such as the time of staff members to manage the collaboration. Because working together comes with a cost, it is critical to invest the time upfront to identify the right collaborators, define the scope of the collaboration, and outline responsibilities. Of course, if reducing costs is an objective, how the collaboration proposes to achieve those savings should be specifically agreed to and described in the Collaboration Agreement.