



The
Power
of Possibility

Exploring Greater Impact
through Strategic Partnerships

A Discussion Guide for Boards

High-impact nonprofits do not go it alone.

They work with and through other organizations to create more impact than they can achieve in isolation.

There are many important ways that nonprofit organizations can leverage the potential to collaborate, but one powerful strategy that is too often overlooked is to form a long-term, durable partnership through a strategic alliance or restructuring.

Strategic partnerships can open whole new worlds of opportunity for serving your mission. They can broaden your reach, expand the range of your programs or services, and help you find more efficient ways to support your organization's important work.

We believe that boards and organizations have a powerful opportunity to think big about strategic partnerships. We believe that our organizations' core purposes can be served well when we find creative ways to collaborate and partner. And we believe that strategic alliances and restructuring can play an important role in making that happen.

There is power in the possibility of working together. There is power in the possibility of aligning complementary strengths and resources. And there is power in the possibility of going beyond organizational boundaries to do together what we may not be able to do alone.

If you believe in the power of possibility, we invite you to start a conversation in your boardroom.

CASE STUDY

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Looking Beyond Borders to Better Serve Individuals with MS

The Moment

Righting a wrong. Two chapters of an organization serving individuals living with multiple sclerosis (MS) realized that there was one thing preventing all of their community's residents from receiving the care they needed: a state border. Individuals who were only 10 miles apart received different levels of support simply because of where they lived. Neither chapter was happy with that unfortunate reality, so they decided to do something about it.

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It started with a conversation. The two boards met to discuss the challenge and explore how they could work together more closely. They began by collaborating on a specific project to get to know each other better. After cultivating trust and familiarity, they determined that the best way to increase the capacity and resources across the chapters would be to merge.

The Result

Putting people first. The newly formed Upper Midwest Chapter of the National Multiple Sclerosis Society pooled the resources from what had been two separate chapters and is now serving individuals with MS in Iowa, Minnesota, North Dakota, South Dakota, and parts of Wisconsin and Nebraska. By doing so, the new chapter has been able to identify efficiencies and provide strong, consistent support to individuals living with MS, regardless of their zip code. It currently serves more than 17,000 people, covering nearly 300,000 square miles.

And it wouldn't have been possible without two boards that were willing to look beyond organizational boundaries to see the possibility that their partnership could create for the people they serve.



This was the most mission-driven merger because everyone was so focused on the client. They were so focused on providing services to people with MS, and how we could do the best job with it.

Bill MacNally

*Board president, Upper Midwest Chapter
National Multiple Sclerosis Society*

CASE STUDY

The Power of Possibility

Using Operational Expertise to Increase Reach

The Moment

Building on a strength. The Chambliss Center for Children, a nonprofit organization focused on providing early childhood education, child care, and residential services, began its life as the Children's Home. Early on, it experienced overwhelming success and growth and achieved operational and administrative efficiencies. Based on this success, the Hamilton County government asked the organization to assume responsibility for another child-related program — The Chambliss Shelter — in 1983.

This experience showed the center the value of expanding its reach in partnership with existing organizations and programs, and the efficiency that could make possible.

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Creative solutions. The Chambliss Center now manages five independent off-site childcare centers and provides childcare inside 11 Hamilton County Schools. Each of the off-site centers has its own board of directors, but — through a management agreement — the Chambliss Center's staff manages the day-to-day operations of the five centers and all administrative functions.

The Result

Creating efficiencies and expanding reach. This shared administrative services model has led to many efficiencies, including joint purchasing, centralized employee benefits, shared financial systems, and consistent operating procedures. The Chambliss Center is now the second largest childcare provider in Chattanooga, having achieved its growth in a thoughtful, strategic way that maximized efficiencies and minimized duplication and competition.

It took the creativity and commitment of the board and leadership to make this happen, and it's paying off in benefits to the community and to kids.



Chambliss Center for Children is proud to facilitate being the 'hub' for numerous early childhood education and nonprofit childcare centers in Chattanooga. It presents a collective opportunity to serve more of our community's at-risk children, while saving funding that would otherwise go to administration. It is an efficient way to more fully utilize all resources. After all, it IS all about the children!

*Philip Acord
President & CEO
Chambliss Center for Children*

CASE STUDY

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Sustaining the Arts by Coming Together

The Moment

Times were tough. In the aftermath of the economic downturn, Dayton Philharmonic Orchestra, Dayton Opera, and Dayton Ballet were all concerned about their long-term financial viability due to a reduction in donations, ticket sales, endowment funds, and foundation, corporate, and governmental funding. All three organizations had cut programs, salaries, and staff, but knew these stop-gap measures would not solve their long-term sustainability problems.

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They saw the potential. The three organizations began discussing the possibility of a three-way merger. The conversation started due to financial reasons, but the groups quickly realized that a merger would also provide artistic opportunities as well.

The Result

Even better than before. The organizations formally merged in 2012 with tremendous results. By integrating all three art forms into a single artistic season, the Dayton Performing Arts Alliance has been able to avoid scheduling conflicts; create unique signature events combining all three art forms; implement cross-attendance promotions; introduce patrons of one art form to all three; and unlock new funding opportunities from donors with an interest in the new model.

None of these innovations would have been possible without the willingness of each organization's leaders to explore the possibility of strategic partnerships.



We realized the key point wasn't how the merger looked in comparison to the status quo, or to the way things used to be, but rather how the merger looked compared to where we might all be in five years if we didn't take such a bold and progressive step...we're better served working together than competing against one another.

*Paul Helfrich
President
Dayton Performing Arts Alliance*

Exploring The Power of Possibility

Does a Strategic Alliance or Restructuring Make Sense for Your Organization?

There is tremendous value in understanding if and how a strategic alliance or restructuring could expand your organization's impact. And as the leaders in all three of the case studies presented here discovered, exploring opportunities for a strategic partnership may help you discover new and exciting ways to serve your organization's mission and purpose.

As your organization explores potential opportunities, here are some things to keep in mind:

Board Opportunity #1: Get down to the basics.

Any conversation about a strategic partnership should begin by asking some straightforward questions about your organization's current operating reality:

- What is our core purpose? What problem are we trying to solve or what new reality are we trying to create?
- If we were founded today, would it be to fill an unmet need within our community and world?
- If we were to close our doors today, from whom would we hear and what would they say?
- Do we have the resources and capacities we need to grow — or even continue — the impact that we seek to have in the world?

Your answers to these questions will help provide clarity and direction about your organization's fundamental purpose as well as the larger ecosystem in which you operate. Both will be helpful as you think about what's most important for your future, and the opportunities that may exist to strategically align or restructure with another organization. After all, sometimes the best way to serve your organization's core purpose is to consider changes to your organizational — or corporate — structure. It's your purpose, rather than your current structure, that should guide your thinking.

Board Opportunity #2: Scan your external environment.

Understanding your external environment can help you identify and anticipate opportunities or threats to your organization that could potentially be addressed through a strategic alliance or restructuring. Organizations and their leaders should monitor their external environment on an ongoing basis to help anticipate both the opportunities and challenges of likely change.

While there are many relevant considerations, here are a few of the most important:

- **Competitive landscape:** What other organizations are working in a space similar to ours? How do our results and reputation compare? Are there organizations that have gone through or will be going through major changes that might be open to partnership in a new way? Are there new players that are making our work more (or less) relevant? Are there examples of successful strategic partnerships already in place within our space?

- **Funding environment:** How might the funding environment for our organization change in the future? Does there seem to be growing or waning interest in our work? What are our assumptions about future growth in philanthropic support, and are they realistic? Would a strategic alliance or restructuring help us build a stronger case for support?
- **Policy and regulations:** How is the regulatory and policy environment likely to shift on a local, state, and federal level? How could that affect our work, and how can we increase the likelihood of decisions that will support our mission and the people we serve?
- **Population and demographics:** How are the population and demographics of the people we serve likely to change over time? How will this affect the demand and need for our core purpose and work?

Any of these external shifts could create the opportunity — or need — for change within your organization. For more on identifying and adapting to change, check out [“The Moment to Explore Strategic Partnerships: Adapting to Change.”](#)

Board Opportunity #3: Revisit your own plans and strategies.

Reflecting on your own plans and strategies can uncover new opportunities for strategic partnerships. Perhaps you have identified an opportunity or need to do one of the following:

- **Expand your scope.** Similar to the organizations serving individuals with MS in South Dakota and Minnesota, you may find that there are logical and strategic ways to expand your organization’s geographic scope or population served by partnering with another organization.
- **Add or combine programs.** Before embarking on creating new programs from scratch, consider how a partnership with another organization might enable you to achieve those goals faster, more efficiently, and without duplication. As was the case for the three performing arts organizations in Dayton, Ohio, partnering with other organizations can be a very effective way to broaden your programs and services.
- **Find efficiencies.** Looking for ways to increase efficiency and decrease overlap between organizations can be a powerful way to continue and expand programs without requiring major infusions of resources. Just like Chambliss Center for Children, you may identify an opportunity to save or share costs, whether through a back-office or administrative consolidation or another type of strategic alliance or restructuring.

Leveraging strategic partnerships as a way to support your goals and plans can be powerful. For more on considering strategic alliances and restructuring as a part of strategy and planning, visit [“The Moment to Explore Strategic Partnerships: Strategy & Planning.”](#)

Board Opportunity #4: Provide support for a collaboration strategy.

If your organization decides that there are indeed strong benefits to strategically aligning your organization with another organization, board members will play an important role. The level of engagement and appropriate role for board members to play depends on the type of strategic alliance or restructuring that is under consideration, so boards should familiarize themselves with our general guidelines about the board’s role in [strategic alliances and restructuring](#).

Across all types of strategic alliances and restructuring, board members can be helpful in three key ways:

1. Defining the Criteria for a Strong Partnership

Consider the following questions, which will help define the type of partnership — and partner — your organization is seeking:

- **What do we hope to accomplish?** What are our primary drivers for considering a potential strategic alliance or restructuring? Are there specific needs, goals, or desired outcomes that we can outline, or against which a potential strategic alliance or restructuring could be evaluated?
- **What are our organizational strengths and challenges?** What are our strengths and weaknesses as a potential partner? What expertise or unique value do we bring to the table? Where do we have strong organizational capacity? What liabilities or vulnerabilities do we have?
- **What would make an organization a strong potential partner?** Looking beyond our goals for the strategic alliance or restructuring and our own organizational strengths and challenges, what would make an organization a strong partner to us, and what would not? What expertise or capacity do we hope to gain through a strategic alliance or restructuring? Consider things like financial strength, leadership capacity, organizational values, and culture.
- **Are there forms of strategic alliances or restructuring that we would (or would not) be open to considering?** Depending on our goals, there may be structures that make more (or less) sense for our organization, and there may be some we wouldn't even consider. While boards should keep an open mind about the potential structure, it can be helpful to talk through any perceived parameters or boundaries and carefully consider assumptions about why certain forms of partnership are considered more or less desirable. Learn more about the many forms of [strategic alliances and restructuring](#).

2. Identifying Potential Partners

Board members often have strong networks and may be able to suggest strong candidates for partnership that are worthy of consideration. In some scenarios, this may be a part of board-level conversation about potential merger or acquisition partners; in others, it may simply be a suggestion of a potential programmatic partner for the staff to consider.

3. Making Introductions & Connections

Existing relationships and trust can be enormously helpful as organizations set the stage for a first conversation about a potential strategic alliance or restructuring, so it's wise to consider how board members can be helpful. That said, board members should avoid initiating a conversation with a potential partner without being empowered to do so by the full board (in cases of mergers or acquisitions) or by the executive (in other programmatic partnerships). Typically, the first outreach is simply an inquiry into whether or not the organization would be interested in a conversation and — if it is — a small working group of board/executive leaders may be appointed to begin an exploratory conversation.

* A Note on Facilitators

Many organizations find it helpful to engage a facilitator to help them think through all of these questions, but many questions can be tackled on your own. Facilitation can be helpful in assessing readiness, during negotiations, and in the ongoing and potentially culturally difficult areas of integration. For more information on how facilitators may be able to help and guidance on how to find the right facilitator, visit www.thepowerofpossibility.org.

KEY TAKEAWAYS

- Strategic partnership can be a powerful way for an organization to expand its impact.
- For some organizations, a strategic alliance or restructuring can help expand its scope, grow or refine its programs, or achieve greater efficiency.
- Boards have an important role to play in the conversation about strategic partnership.

Learn More About The Power of Possibility

The Power of Possibility is an effort to invite boards and executives to consider how strategic alliances and restructuring could enable their organizations to expand their impact. To learn more about the campaign, and to access more resources and guidance for organizations that are exploring the possibility of strategic alliances and restructuring, visit www.thepowerofpossibility.org.