Effective collaboration in NGOs –Book Summary

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Presentation

In 2008 we at the ESADE Institution for Social Innovation and the PwC Foundation decided to start up the the *ESADE-PwC Social Leadership Programme*, the aim of which is to generate and spread knowledge concerning **leadership in NGOs** and other non-profit entities and create a joint venue for sharing and reflection among social leaders.

Every year we have addressed a subject related to leadership in the non-profit sector and last year, 2012-2013, we focused on **collaboration in NGOs**. This is not a new or recent issue in the sector. It has arisen in the form of entities prone to collaboration and for example, it is a fact that there are multiple networks and platforms at differing levels. Nonetheless, when a year ago we considered writing this book, we wanted to examine this subject in more detail and analyse how collaboration works in the sector and the extent to which it is strategic and beneficial for the entities involved. Although many entities assert that they are linked to or work with others, or belong to second or third level entities, does this help them achieve their mission? Does it enhance their efficiency or grow their impact? Does it allow them to work more efficiency?

This is why in 2012 we started a research project which ended with the publication of this book. The aim is to look at the subject of collaboration in NGOs in more detail to see what is usual, the kinds of collaboration that exist, but above all, to attempt to deliver ideas and examples of those which we believe should be encouraged (and at the same time identify those which are unnecessary or at least should not represent a major effort for the entities) and offer some interesting examples. The book was written in a context in which we consider that encouraging collaborations and alliances is key to optimising available resources in the sector – particularly due to the current limitations – but in which it is also essential to set out a clear strategy and define well with whom we collaborate, why, when etc. Although all organisations can be linked to several entities (whether or not they are in the same sector), it is necessary to reflect on the weight of each of our alliances or participation in networks in order to determine how to develop it, what resources to invest in each, what to encourage and what is not as necessary for our mission.

We have conducted a study thanks to the collaboration of programme participants, directors and managers of non-profit entities and other experts interviewed.

The findings are set out in the book *Effective collaboration in NGOs. Strategic alliances and networks*, which was **presented on 19 September in Madrid.**

The publication reflects on and offers proposals and examples of how collaboration in NGOs is arranged or should be arranged. It also offers a general framework on the strategic significance of this subject and the necessary reflection which it should entail. It is divided in two large sections:

o First section (chapters 1 and 2): This introduces the strategic value of collaboration, viewing it in the current scenario, where working with others can help to minimise the impact of the economic situation and the additional restrictions that many NGOs are currently facing.

o Second section (chapters 3, 4, 5 and 6): This goes into more detail as to how to build collaborations for an impact, what we call significant and effective collaborations. A chapter is therefore included which sets out an initial approach to this, identifying what hinders this type of collaboration and what encourages it (chapter 3), in order to end by presenting the three main ways in which effective collaboration may be

arranged: strategic alliances (chapter 4), institutional integrations (chapter 5) and, finally, second and third level networks, federations or platforms (chapter 6).

Findings of the study

Need to work in the current environment

The current situation of the third sector, particularly in Spain, has meant that collaborations or even mergers are viewed as an opportunity by many entities unable to achieve their objectives or continue their activities individually. Although there have always been links between NGOs or between organisations and other sectors, this is now a growing need and is viewed as the sole alternative to obtain resources, be more efficient, scale up or expand to new sectors or areas, improve legitimacy or even in some cases, survive.

Collaborations then arise as a way to be more efficient and effective at a time of growing social demand, more complex problems and budget cuts. But not only this, collaborations make it possible to strengthen the legitimacy of NGOs.

Significance of strategic collaborations

This book defines **collaboration as significant when it creates strategic value** for participants . the outcomes outweigh the value of individual contributions and there is the intention to grow the individual capacities of each entity. They will be significant if they **engage the leaders** of participating organisations and also entail an organisational commitment to avoid turning them into a simple exchange of information or resources.

Entities should reflect on the **value of their collaborations,** analysing both current and potential new links, depending on their **strategic interest and efficiency level.** It is therefore advisable to strengthen or focus (or maintain) efforts and resources on those which are most interesting at strategic level, improving those that do not work efficiently. It is also necessary to review those collaborations which do not commit to the entity's strategy, in order to determine whether they should be discontinued or at least, ensure that they do not entail exclusive dedication.

Entities should therefore commit to a strategic approach to collaboration. We can differentiate the following **types of organisation according to the collaborative approach** which they adopt (ordered from a higher to a lower level of collaboration):

- *Networked* NGOs
- Collaborative NGOs
- NGOs with a collaborative approach in certain strategic areas
- NGOs with collaboration as a strategic approach
- NGOs focused on their organisation

The first two view collaboration as basic to their strategy and therefore focus all their activities and are built around links with others (contained in the entity's actual definition), while for other entities, it is a secondary or complementary component.

In order to define a collaboration strategy, entities should reflect on their objectives, determine which key competences may be contributed by the entity itself and which should be sought in an ally /allies, in addition to determining the areas where this strategy will be developed (subjects and types of collaboration) and establish criteria to identify possible partners (or reject them).

Types of collaboration

The study analyses and presents the three main forms that significant collaborations can take. According to the objective pursued by the entity, it will be more appropriate to commit to one or other type since each has its own characteristics, rhythm, limitations and advantages. Although some are more dynamic from a management perspective and in achieving short-term results, at times this makes it difficult to integrate learning in the NGO, as, for example, would be the case in longer processes involving a structural change.

The first types of collaborations are **strategic alliances**, between NGOs and alliances with partners in other sectors. This relates to those collaborations which are characterised by the fact that any of the participants can contribute key competences to attain the shared objectives, the subject has strategic value for the participating entities and there is a commitment which in principle is temporary and linked to the performance of a task, objective or clearly defined result.

The key success factors of this type of collaborations are:

1) Recognition of the competitive advantage generated through the alliance by all partners
2) Mutual respect between partners, recognition of their value and trust in their commitment

3) Clear roles and smooth communication channels
4) Sense of co-ownership of the alliance

Institutional integration consists of other types of collaboration which, unlike alliances, have an impact on the control-governance or structure of an organisation. It mostly involves the creation of new entities from other existing entities, — whether the original is maintained or not —, and therefore includes, inter alia, mergers and absorptions. This is a significant issue in the current context and is considered by some sectors such as financial backers and society in general to be a possible solution or response to some of the issues confronting some entities recently, particularly, in the case of smaller entities.

To ensure the success of integration processes, entities should take the following aspects into account:

1) Establish mission objectives which are first of all, above those of the organisation
2) Take their own strengths as a starting point
3) Be built top down on the basis of trust of which particular care should be taken
4) They cannot be hurried, their joint development should be planned as well as the transformation that this entails for each participating organisation

These are processes which may bring about the loss of autonomy or identity or which may hinder the integration of cultures unless the similarities / differences have been previously analysed.

The last type of collaboration analysed in the study is **networked work**, arranged through networks as such or **second and third level federations or platforms**. This is a subject of debate in many NGOs although there are also many that question the efficiency of these collaborations and wonder whether the investment in time and other resources involved is really profitable. Networks and platforms are a manner of collaboration which provides clear strategic value to NGOs if those which are really significant are identified and selected.

The key success factors of this type of collaboration are:

1) Organisations committed to a clear vision and objectives
2) Efficient governance recognised as valid for all members
3) Scaled resource management system
4) *Expertise* in an area and prior existence of social capital

The advantage of this type of collaboration is that it permits easy and dynamic access to and the sharing of information and knowledge and the leveraging of mutual resources and innovation. In addition, it often permits legitimacy to be strengthened and enables access to certain contacts, amplifying the voice and action of any NGO going it alone. However, entities do not always end up ascribing to networking and it may lead to a loss of individual visibility (and actual specification, particularly when most of the group has a different view from that of the organisation itself), as well as entailing an increase in the administrative work.

Conclusion

The study therefore contributes ideas that help the entity to review the value contributed by the collaborative **approach within the organisation's overall strategy** and in the **analysis of its present collaborations** and the **identification of potential** allies.

In turn, it contributes aspects which may guide an entity to **define its own collaboration strategy** and determine what types of collaboration may be most interesting and efficient to achieve the results pursued.

The entire content is accompanied by examples of instances of entities that have contributed different types of strategic collaborations, according to their objectives and needs. These experiences show the arrangements which in turn contribute ideas and proposals to other NGOs which may be considering embarking on similar processes.