

Building Collaborative Capacity in Communities

CHICAGO'S STRATEGIC RESTRUCTURING INITIATIVE

In Chicago, a confluence of data, education, and funding is building community capacity in support of nonprofit collaborations, alliances, and strategic restructuring. The release of the [2016 Report from the Metropolitan Chicago Nonprofit Merger Research Project](#) has coincided with the launch of [Forefront's Mission Sustainability Initiative \(MSI\)](#) to elevate collaborative strategies. In this post, we look at how this all came together, what has been accomplished so far, and what more can still be done.

We interviewed stakeholders offering four different perspectives: Genita C. Robinson is Director of the MSI at [Forefront](#); Eric Weinheimer is Forefront's President and CEO, Jean Butzen is the Founder of [Mission+Strategy Consulting](#), which commissioned the merger study; and [Bob Harrington](#) is Partner at La Piana, which provides educational, assessment, and negotiations consulting in support of the MSI.

The Impetus

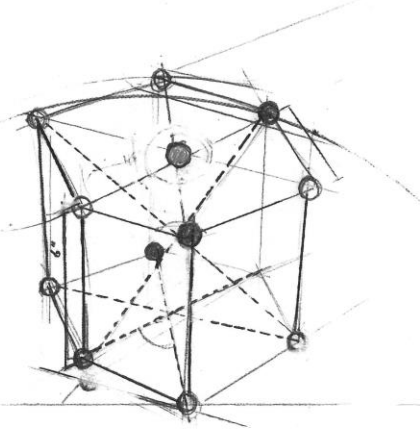
By all accounts, it was serendipity that the merger study and MSI debuted together, though it was also indicative of some groundswell of interest in nonprofit partnerships. The research project was already underway with lead funding from the Polk Bros. Foundation when Eric Weinheimer took the reins as CEO at Forefront (then still known as the Donors Forum) and began an informal "listening tour" to learn about needs and priorities in Illinois' social sector. Collaboration and strategic restructuring featured as a hot topic in those conversations with and among Forefronts' key constituents.

This kicked off what Weinheimer describes as "an evolving, organic process" of defining what the MSI would look like. "We started gathering people around the table, learned about the [SeaChange-Lodestar Fund for Nonprofit Collaboration](#) as well as funder initiatives in places like [Los Angeles](#) and [Philadelphia](#), and decided to do something similar at Forefront." Weinheimer and his team not only had many conversations with those who have been doing this work, but also took the time to gauge local interest to ensure it had the support of foundations and the broader philanthropic community.



The Design

What took shape is the MSI, incorporating education, assessment, and support for partnership negotiations, backed by an MSI Fund that currently includes [16 funder partners](#). Launched with an educational workshop session for nonprofit leaders in October 2016, the MSI offered facilitated



partnership readiness assessments to 20 organizations using La Piana Consulting's [Strategic Restructuring Assessment Tool \(SRAT\)](#), and is [now accepting grant applications](#) on a rolling basis for technical assistance. The MSI is led by Forefront, with guidance and participation from a Funders Committee and an Oversight Committee with representation among funders, nonprofits, and professional advisors.

Internal to Forefront, development of the MSI has been shared among several staff, demonstrating institutional commitment beyond just one individual champion. Robinson explains: "Elsbeth [Revere] (a consultant with Ravenswood Consulting Group) started us off in hosting the educational summit and the early meetings with the Funders Committee to set guidelines and criteria for grant funding. Delia [Coleman] (then VP of Strategy and Policy at Forefront) led the SRAT process and helped select the 20 groups to receive the initial assessments. I then came on board at the point of creating and releasing the grant application and doing one-on-one consultations with nonprofits."

Commitment to community has been a hallmark of Forefront's approach to the MSI. Bob Harrington observes that, "From the beginning, there was a lot of outreach to community stakeholders to get their impressions, and support was strong. It made sense from a variety of perspectives." And the proof is in the pudding, with the MSI engaging 16 funder partners, each contributing a minimum of \$10,000, and nonprofits and advisors to nonprofits also contributing their time, effort, and expertise to the initiative.

"We may be one of the only ones soliciting the nonprofit voice in this way," says Robinson. "Our Oversight Committee includes leaders of nonprofits who have experience with partnerships. They help us review responses to the consultant RFQ (used to create a [pool of consultants](#) that grantees may choose to work with), generate ideas for upcoming trainings and workshops, and are also individual volunteers. We're testing matching CEOs who have gone through partnerships with CEOs who are in the midst of it to serve as confidential mentors."

The opportunity for confidential conversations, whether with Forefront staff or a CEO mentor, is a defining component of the MSI approach. "One thing we definitely wanted to do," Robinson says, "was to provide confidential advice to organizations interested in exploring partnerships. This is key because it's hard for nonprofits to open up and lay bare their thoughts about what they could be doing better. It's emotionally laden: these aren't just businesses, they're mission-driven organizations that people have been drawn to because of a passion they have."

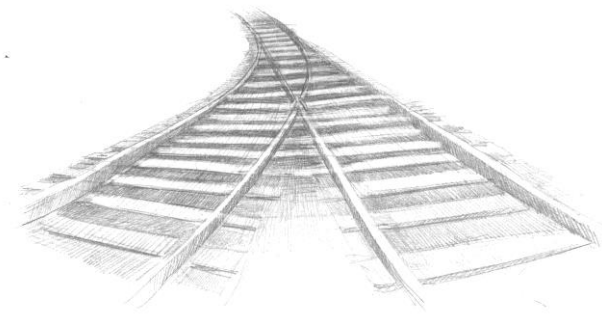


MSI Goals

Apart from creating the safe space for nonprofits to be honest about their partnership needs and aspirations, Forefront also hopes the MSI can help to change the narrative about nonprofit partnerships so that one day the stigma will be dispelled. “The ultimate goal of the MSI is to change the conversation about partnership so we can bring it more out into the open, but we’re not there yet,” Robinson says. Forefront and its funder-partners have also identified short-term goals for the MSI, which include awarding \$1 million over the next three years, helping 50 organizations to engage in strategic restructuring discussions, and completing 12 nonprofit mergers and 20 collaborations.

Harrington, who has designed and delivered similar initiatives in Los Angeles, San Francisco, the greater San Francisco/Monterey Bay Area, and Dallas describes the common goals of such efforts as: 1) helping nonprofit leaders understand that it’s not all about mergers, but that there is an array of options for strategic partnerships; 2) demystifying the process by describing the steps of assessment,

negotiation, and implementation; 3) helping organizations put partnership in context by exploring the potential motivations, benefits, and how it relates to their interests and mission-driven work, as well as by assessing their readiness to enter in to a partnership. Beyond these educational and assessment components, initiatives are most impactful when there is grant support for negotiation of partnerships and even post-agreement integration activity.



Results to Date

With only the first three rounds of grants underway, it is still too early to gauge the MSI’s progress toward its stated goals. However, until the outcomes of partnership exploration and negotiations begin to surface, it is clear that the MSI has succeeded in rallying community ownership of collaborative strategies and in creating a system of support for making nonprofit partnerships a reality.

Robinson speaks to the intentionality around building community support: “We’re trying to bring all the voices around the table, which is part of Forefront’s mission and helps strengthen the sector. In particular there was a local desire, from the beginning, that it be nonprofit driven. I think that’s played out in how we’ve set it up, such as in having nonprofit voices on the Oversight Committee.”

Local consultant Jean Butzen has long been a champion in nonprofit partnerships, and adds her perspective on



the MSI's results to date: "I've always been interested in building the field in restructuring strategies, but when it's a consultant doing it, it feels very one-sided. But with MSI, it's in everyone's interest — all the players are taking ownership. Those leaders who have actually done mergers are now speaking out more, acting as mentors, etc."

Butzen adds that the initiative also provides an enduring structure to support partnership work: "I've always seen that what we lacked was the infrastructure or system to support the strategy; you need organization around a strategy for it to be viable, otherwise you have a lot of different players each contributing but in an uncoordinated way. Forefront has put organization to the strategy in a way we've never had before."

Perhaps an unanticipated result is the short- and longer-term learning and how it can result in more effective nonprofits and a stronger sector as a whole. Robinson noted an example of organizational capacity building that came about unexpectedly: "We've had one potential partnership receive a grant where it was amazing to hear how much the organizations have gotten out of just being in the negotiations. The conversation gave one organization the catalyst to make some financial improvements they already knew they needed to make. Independent of partner-to-partner negotiations, this process requires a level of self-examination where parties internal to the organization (e.g., board/CEO partnership) can push one another to do better."

On a sector level, Robinson sees the potential to have an even broader impact: "My hope is that because Forefront is the kind of organization we are, that we're a great venue to share the lessons broadly. Our Funders Committee, as part of its own mission statement, identifies itself as a learning body, interested in learning from this collaboration to be better funders going forward. We all share the hope that the MSI will provide lessons beyond just those directly involved — whether it's funders, advisors, or grantees."

On Next Steps

Thinking ahead, opportunities to extend and/or build on the MSI include expanding its geographic reach, as well deepening and continuing its educational component. Robinson notes that: "Something we're trying to be mindful of in sharing these resources, including funding, is that we're touching on all the communities Forefront serves, to the extent we can. Right now, MSI funding is only available in Chicago and the nearby suburbs — not totally statewide — but for now we're trying to make sure we're covering ALL of that area."



There is also the potential to broaden funder participation. Robinson is quick to give credit to the MSI funder-partners: "Many are also supporting capacity building on their own, so they're doing double duty."

But there needs to be more, and broader, support for this.” Butzen agrees: “They’ve got the visionaries funding it now — the ones who get it — but need to pull everyone else in.”

Part of this could be more education for funders. The Chicago merger study pointed out that concerns about funder behavior and transparency about funding organizations post-merger can be a challenge for nonprofits considering partnership (*Mergers as a Strategy for Success* p. 35). This may be because, as Butzen says, “funders still think there’s tons of savings to be had in mergers, when of course this is rarely the case.” Robinson herself observed that at Lodestar Foundation’s May convening of Collaboration Prize national finalists, “too many of the nonprofits told the story of losing funding after the merger, in some way or another.”

On the whole, a next step for the MSI and similar initiatives could be to make the educational process ongoing, says Harrington. “The initial workshop can be an eye-opener for many nonprofits, but it may take some time before they decide pursue a partnership, so there’s an ongoing need and opportunity to continue to lift up examples and give leaders a chance to hear from colleagues about what worked, what they’d do differently, and what was the community impact — to keep it ‘at the forefront,’ so to speak.” He also notes that “nonprofits do not necessarily time their aspirations to an initiative,” and that information and resources need to be available on an ongoing basis to meet nonprofits’ needs when they become ready. Forefront is attending to this, with its rolling grant deadlines and CEO mentoring efforts. “The danger,” says Harrington, is in “just running through the initiative elements — the workshop, the assessments, etc., and then sitting back and waiting for the activity to take place. To truly embed it in the community, and in nonprofits’ psyche, you need to keep giving them the reasoning for WHY partnerships are of such value.”

Conclusion

It’s an iterative process, and an opportunity that builds on itself. Robinson notes that with each new experience, communities build capacity in collaborative strategy. “I think you need more initiatives like MSI,” she says. “Once you’ve gone through a partnership, you can see how it makes sense — and you can be empowered to help others go through it.” Butzen agrees: “The next big challenge is how to infuse information and training into the sector around these ideas, taking what people learn from the mergers that are funded and feeding that back into the next round so we keep getting better at these partnerships.”

“One thing to remember,” Robinson says, “is we’re all in this together. In the end, we ALL want to see better outcomes for our communities. It’s not about the nonprofits, foundations, or consultants — it’s about the communities we’re serving. That must be the guiding principle.”

