

Banking on Collaboration

Collaborating to raise funds—Is it the ultimate folly or a stroke of genius?

BY EDDIE GALE

“Collaborating to raise funds can be a sticky business.”

—simple advice from a professional

“We would much rather share physical space than merge our missions.”

—simple reality from a nonprofit director

Veterans of capital campaigns are well aware there is only so much philanthropic money to go around. The notion of two capital campaigns running simultaneously in a limited geographic area could spell disaster for both. A fundraising professional would clearly advise against starting up a third. And then wouldn't you know it, a fourth organization needs a new home and is considering conducting a capital campaign, too.

Faced with the need to raise hundreds of thousands of dollars for a capital campaign, few nonprofits would search out another organization in a similar situation for anything more than advice. However, sometimes the best way for an organization to look out for its own well being is by collaborating with other nonprofits in similar circumstances. Perhaps none of the nonprofits com-

mands the presence in the community to reach its campaign goal, yet a collaboration of several organizations might represent a continuum of services that the community can't afford to be without. The sum can indeed be greater than its parts.

This is what five nonprofit organizations in Burlington, Vermont, realized when they set out to renovate three distressed buildings to house their offices and operations. The Committee on Temporary Shelter (C.O.T.S.), Burlington Community Land Trust, Chittenden Emergency Food Shelf, Vermont Legal Aid, Inc., and Chittenden County Court Diversion banded together to form the Re.L.I.E.F. Campaign (for Regional Low Income Emergency Facilities). Re.L.I.E.F. raised \$3 million from a resourceful mix of charitable donations, government grants, and nonprofit bonds.

In the public's eye, collaborative campaigns benefit from the perception that “collaboration = efficiency.” Pooling resources lets donors affect a wider range of nonprofits. Successful collaboration improves communication between organizations. It also heightens their community standing and gives them access to additional funds.

However, the collaboration itself involves hard work, planning, and ingenuity. Re.L.I.E.F.'s success depended on the commitment of all five organizations to trust one another and do their homework.

WHAT ARE THE KEYS?

Here are the four characteristics that led to the collaboration's success:

1 **Need.** All the organizations must need the benefits of the campaign.

No nonprofit should enter a capital campaign unless it has carefully defined its need. Often that need is for money to purchase a building.

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Contrary to what one might think, doing business in inadequate facilities can be expensive, both in terms of overpriced rent and decreased employee productivity. A group of nonprofit organizations may find it more efficient to buy a building than to continue to pay rent.

Buying a building together can have many benefits for compatible nonprofits. They can share materials, office equipment, computer networks, and conference rooms. They can split improvement expenses and work together on projects. They can share the costs of complying with the Americans with Disabilities Act (ADA), ensuring that their offices are accessible to people with disabilities. They also have a unique opportunity to share their knowledge and experience with one another.

2 Interconnectedness. There must be a logical connection among all the organizations.

For nonprofits to enter into a collaborative campaign, there should be some logical connection among the organizations. One strong connection is the ability of the organizations to offer a continuum of services to the same clientele. Rather than treating an individual symptom of poverty, the collaboration can offer comprehensive aid: food, shelter, and a chance to turn one's life around, own a home, and become self-sufficient. Few prospective donors can argue with such an encompassing strategy.

A nonprofit organization that serves other nonprofits can be a focal point for bringing the organizations

together. In the Burlington example, that role was filled by the Burlington Community Land Trust (BCLT). Part of its mission is to help nonprofits develop facilities. Each of the organizations looking for new space had at one time turned to BCLT for help, and the practical conclusion was for all of them to work together.

Compatibility becomes extremely important when the organizations ultimately share space in a common building. Faced with difficult financial times and the need to find efficiencies, nonprofits will often find it easier to merge their overhead expenses than merge their missions. Yet in any roommate scenario, the sharing of overhead has the potential for conflict. A collaborative capital campaign may develop several different facilities, such as a legal services building and a food shelf warehouse. However, if organizations are located in the same building, they should be certain they will make good neighbors as well as capital campaign partners.

3 Leadership. Strong leaders pull the organizations through the collaborative process.

Whenever nonprofits collaborate to raise funds, as in a capital campaign, things can get tricky. Strong leaders are crucial. They keep people focused on what's important and don't allow petty differences to disrupt the process. They know that the collaboration requires all players to trust one another and commit themselves to the common good.

Staff will likely take a leadership role in beginning the dialogue of collaboration. They should be prepared for the give and take necessary to reach consensus. At key junctures, they will want to consult with their boards of directors. The individual boards should be committed to the project but willing to entrust decision-making to a collaborative team.

An important part of leading a collaboration is the ability to “collect the right people,” notes Sister Lucille Bonvouloir of the Committee on Temporary Shelter. The Re.L.I.E.F. campaign was too big for any single player to fund on its own. The collaboration had to piece together a wide range of funding sources, each influenced by the support of the others. The United Way of Chittenden County and the City of Burlington awarded an early planning grant to the collaboration, which led the way to support from Senator Leahy's office and a Housing and Urban and Development Grant; \$1.5 million in tax exempt bonds being purchased by six Chittenden County Banks; a Vermont State appropriation; a collaboration of other Chittenden County towns applying for a Community Development Block Grant; and the remainder from individuals, businesses, and foundations.

The importance of collecting the right people also applies to putting together a volunteer steering committee. The committee should be made up of people with diverse abilities to bring resources to the table. Skills to look for are public relations, political connections, access to philanthropists, respect within the business community, commitment, and a passion for the cause.

In the Burlington example, Brenda Torpy of the Burlington Community Land Trust sums up the

secret to maintaining trust in three words: “Communicate, communicate, communicate.” The five Re.L.I.E.F. organizations quickly realized they needed to create an informal democracy among themselves. They agreed on a set of principles that would guide them. Chief among these guiding principles was the rule that everyone at the table would have a say in the decision-making.

“We had to make sure every board was behind the project and that whoever they sent to a meeting had the authority to be the decision-maker. Only if we deviated from the fundamental elements of the plan would they go back to their boards for approval,” Torpy explains. The committee strived for consensus and, if that wasn’t possible, fell back on a majority vote. The important thing was to work through disagreements and keep going. They met frequently (every Friday morning at 7 A.M.) and kept their organizational issues separate from the volunteer steering committee’s fundraising efforts.

George Little, the chair of the Re.L.I.E.F. volunteer steering committee, was the embodiment of a capital campaign leader. He was a respected retired Burlington businessman, former United Way chair, and a retired Vermont State Senator where he was a member of the Appropriations Committee. He had a strong interest in human services, and had worked on capital campaigns for the University of Vermont, the Medical Center Hospital of Vermont, and the Ethan Allen Homestead, and he was also on the board of the Chittenden Emergency Food Shelf, one of the Re.L.I.E.F. organizations. Most important, he knew the commitment he was making when he accepted the job.

Leadership is also required from the community itself. Local government, businesses, and institutions can play a strong leadership role by

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lending credibility and support. Endorsement by agencies such as United Way sends a powerful message to potential funders that this is a worthwhile project.

4 Planning. The collaboration must follow a methodical strategic process.

The collaborative campaign process resembles a strategic planning process. It begins with research into the needs of the organizations, potential sites for the building, the community’s perception of the organizations involved, the potential to acquire funds, and the means to acquire those funds.

A feasibility study is an essential step to see if there is enough philanthropic interest to make the capital campaign a success. The organizations may hire a professional to conduct the study or spend their own time surveying the community. The important thing is that the collaborating organizations assess their potential for success before moving forward.

The final decision is made by the boards of directors, who then commit to a collaborative working relationship among all the boards. The boards and staff recruit a volunteer advisory committee with ultimate responsibility for fundraising.

The advisory committee works with the staff to create a combined public and private funding strategy. Promotional materials, including video, are produced to highlight the need for the capital campaign, the interconnectedness of the collaborat-

ing organizations, and the benefit to society that will result from their collaboration. The communications materials should emphasize that just as no single organization can solve all the problems faced by the collaboration’s clients, so too no single donor can likely do it alone. The outcome the collaboration offers to the donor and community is that the sum of their efforts will far exceed the value of any individual part.

Once organized, the campaign can proceed through the traditional steps of a capital campaign. With a collaborative effort, however, all participants must be dedicated to the work necessary to sustain the collaboration through the process. Communication systems need to be set up and maintained.

It’s also vital to educate people about the nature of the collaboration. Such education must be extended through all levels of participating organizations, board, staff, volunteers, and supporters, as well as out into the community.

One key to the financial success of the Re.L.I.E.F. campaign was that they left no possible option out of their fundraising mix. In addition to approaching individuals, foundations, and corporations, the campaign organizers used planning money from the United Way and the City of Burlington. They investigated and successfully floated nonprofit tax-exempt bonds which were bought by local banks. They identified appropriate federal sources of funding, including Community Development Block grant money. Their supporters successfully lobbied the Vermont leg-

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islature for a state appropriation. They used not only many sources of funding but many types of funding.

The collaborative campaign, perhaps more than regular campaigns, needs to be flexible and self-adjusting. During the campaign, new events—which may lead to increased support—are constantly happening. Damaging events can also occur, and the collaboration must be prepared to present a united front when dealing with these issues. The campaign organizers must constantly review and track their goals. They must assess results against benchmarks and make adjustments accordingly. When the Re.L.I.E.F. campaign workers realized they had not met the goal they had set within the legal community, they started the Gray Fund, in honor of the late William Gray, a respected attorney who had recently died of cancer. This new approach attracted the necessary funding to achieve the goal.

Finally, the collaboration celebrates success. Key contributors and volunteers are honored, ranging from thank-you cards to dedicating buildings. While for any campaign the acknowledgments are critical and the list is long, in a collaborative campaign the need for careful tracking of contributions and appropriate expressions of gratitude is essential and more difficult to achieve. Efficient systems for tracking contributions of all kinds and planning for formal acknowledgments at the end should be built into the process from the beginning.

WHAT ARE THE PITFALLS?

It all sounds easy, at least on paper. Yet certainly collaboration is not the easy route to take. Communication and record keeping take time but are essential to collaboration. Determining how best to use consultants becomes difficult when so many are involved in the decision-making process. All the organizations must be internally healthy before they can take on the stress of collaborating with other organizations. Questions regarding differing rates of board involvement and sophistication have to be overcome. Additionally, the boards have to agree on what they won't do, such as conducting their own fundraising campaigns, as well as what they will do.

Inequities in such issues as fundraising ability may become a problem. One solution that Re.L.I.E.F. decided on was for each organization to make a commitment to *work*. They would be evaluated in terms of their effort, not necessarily their results. Similarly, not all organizations are met with equal pleasure in the eyes of the public. When such issues arise, it is important for the collaboration to maintain its commitment and solidarity, as well as devise a way to work around the problem.

IS IT FOR YOU?

Collaborating on a capital campaign isn't for everyone. Yet the bene-

fits can be far greater than what each organization could achieve alone. The key ingredient is commitment of board members, volunteers, and paid staff. They must be dedicated to making the campaign a success not only for their organization but for the collaboration as a whole. They must be leaders.

“What carried Re.L.I.E.F. through,” says Debby Bergh, an organizational development consultant, “is that they had incredible leadership. They were champions.” ■

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These publications are available through the Society for Nonprofit Organizations' Resource Center, 608-274-9777, Ext. 221, www.danenet.org/snpo.

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