

PHASE 1

Prepare Your Nonprofit Organization to Meet the Collaboration Challenge

WORKSHEETS

1. Identify Assets and Capabilities Your Nonprofit Might Provide in Alliances
2. Determine Benefits Your Nonprofit Might Seek in Alliances
3. Review Your Nonprofit's Strategic Goals and Readiness for Developing Alliances
4. Delegate Responsibilities for Guiding Alliance Development
5. List Your Nonprofit's Current Relationships with Businesses

Process options for PREPARING YOUR ORGANIZATION

Once your nonprofit organization becomes interested in strategic alliances with businesses, a systematic process can prepare the board and staff for meeting the challenges involved. This process can help your nonprofit develop effective alliances and incorporate alliance development into the broader processes of improving effectiveness, resource development, and strategic planning. Phase One is designed to ensure that alliances with businesses are based on a sound foundation that

- Acknowledges the assets and capabilities your nonprofit can provide to businesses (Worksheet 1).
- Provides benefits for your customers and furthers your mission (Worksheet 2).
- Aligns with your strategic goals and is supported by your governance, management, and organizational practices (Worksheet 3).
- Is guided by clear delegation of responsibilities within policy guidelines (Worksheet 4).
- Allows you to build on your nonprofit's current relationships with businesses (Worksheet 5).

This phase presents opportunities to strengthen the total organization's appreciation of what it can provide in alliances with businesses, what it can gain from these alliances, and what organizational capacity is necessary to create and manage alliances effectively. Governance support (Worksheet 3) and policy guidelines (Worksheet 4) are board responsibilities. However, it is best to be inclusive during this preparation phase and to provide opportunities for discussion with the board, volunteers, and staff.

The worksheets that follow can be used to organize individual input in advance of a meeting or retreat, prepare people for discussions, or structure individual and group work. An attractive option may be to conduct an inclusive two- to three-hour session that begins with the *Meeting the Collaboration Challenge Video*, showing the full thirty minutes or just the first two examples ("The Fox Cities Children's Museum and Roxanne's Doll Shop" and "City Year and Timberland"). The video examples provide an inspirational and instructive foundation for using Worksheets 1 and 2 to focus on your own nonprofit. Board members, volunteers, and staff can then consider Worksheets 3, 4, and 5 together, or this work can be delegated as appropriate.

Note: When necessary throughout your use of this workbook, please make additional copies of the worksheets provided.

WORKSHEET 1

Identify Assets and Capabilities Your Nonprofit Might Provide in Alliances

Building on the assets and capabilities of both partners, successful strategic alliances between nonprofit organizations and businesses provide benefits to both. Nonprofits seek benefits that will further their missions, serve their customers, strengthen their organizations, and achieve desired results: **changed lives and changed conditions**. In exchange, businesses seek a range of benefits, from enhancing business opportunities to strengthening human resource management to supporting corporate strategies through community improvement.

To prepare for developing effective alliances with businesses, identify the assets and capabilities your nonprofit possesses that may be valuable to businesses. By identifying what your nonprofit can provide alliance partners, you can also determine what types of businesses are most likely to value an alliance with your organization.

Read the following list of assets and capabilities on which nonprofit organizations build alliances with businesses. Briefly describe your organization's assets and capabilities, and indicate the types of businesses (or specific businesses) that are likely to value them.

*Assets and Capabilities
of Nonprofit Organizations*

*Our Nonprofit's
Assets and Capabilities*

*Businesses Likely to Value
Our Organization*

Powerful mission:

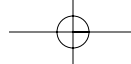
a compelling purpose, the organization's reason for being

Strong presence:

a well-known name, credibility, excellent reputation, attractive logo

Access to potential customers or markets

for sales, product development, and testing



WORKSHEET 1 *(continued)*

*Assets and Capabilities
of Nonprofit Organizations*

*Our Nonprofit's
Assets and Capabilities*

*Businesses Likely to Value
Our Organization*

**Extensive communication
or distribution systems**

Organizational expertise
in job training, child care,
research, and so forth

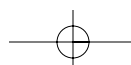
Programs and projects:
arts programs, health services,
environmental education,
and so forth

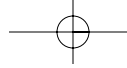
Volunteer opportunities:
individual and team, short-
term and long-term

**Ability to provide recogni-
tion, endorsement, or
awards**

**Access to potential
employees** to work for
a business

**Well-known, respected
leaders or spokespersons**





WORKSHEET 1 *(continued)*

*Assets and Capabilities
of Nonprofit Organizations*

*Our Nonprofit's
Assets and Capabilities*

*Businesses Likely to Value
Our Organization*

**Access to community leaders
and influential people or
organizations**

**Staff and volunteer skills
and expertise**

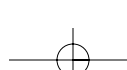
**Fundraising and financial
capacity**

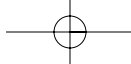
Facilities or equipment

**Products for use as incen-
tives or giveaways:** books,
informational pamphlets,
museum replicas, and so forth

Other:

Other:

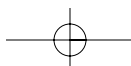
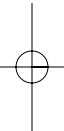
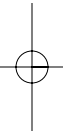




WORKSHEET 1 *(continued)*

What, if anything, should we do to clarify and strengthen the assets and capabilities our organization can bring to alliances with businesses?

Additional notes:



WORKSHEET 2

Determine Benefits Your Nonprofit Might Seek in Alliances

Successful alliances with businesses provide valuable benefits to nonprofit organizations and the communities they serve. Clarity about what benefits your nonprofit is seeking through alliances helps you focus on partners most likely to provide these benefits.

Begin by rating most highly those benefits that will further your organization's mission and are most valued by your primary customers—**those whose lives are changed through the organization's work**. Also consider additional benefits to the organization. Then specify the **resources**, **recognition**, and **relationships** your nonprofit should seek, and identify businesses that might provide them.

Read the following list of benefits that nonprofits receive in strategic alliances with businesses. Rate how important each type of benefit would be to your organization. For those you rate 3, 4, or 5, briefly describe the specific benefits your nonprofit might seek (such as kinds of services, types of volunteers, and a target amount of funds), and indicate what types of businesses (or specific businesses) might provide them.

*Benefits from
Business Alliances*

*Importance (Circle One:
5 = Extremely Important;
1 = Not at All Important;
DK = Don't Know)*

*Specific Benefits
Our Nonprofit Might Seek
and Businesses That
Might Provide Them*

Resources

5 4 3 2 1 DK

Program services: services that are valued by our primary customers and that further our mission

5 4 3 2 1 DK

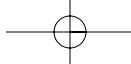
Knowledge: information that is helpful to our primary customers or that is useful to our organization

WORKSHEET 2 *(continued)*

<i>Benefits from Business Alliances</i>	<i>Importance (Circle One: 5 = Extremely Important; 1 = Not at All Important; DK = Don't Know)</i>	<i>Specific Benefits Our Nonprofit Might Seek and Businesses That Might Provide Them</i>
Revenue: income from donations, grants, cause-related marketing proceeds, or revenues from contracts or fees that exceed performance costs	5 4 3 2 1 DK	
People: volunteers serving as board members, event participants, fundraisers, or service providers	5 4 3 2 1 DK	
Facilities: free or discounted access to or donations of buildings or other facilities for use by our customers or our organization	5 4 3 2 1 DK	
Goods: free or discounted items for distribution to our customers or for use or sale by our organization	5 4 3 2 1 DK	
Recognition		
Issue awareness: expanded distribution of messages or information (often through public relations and marketing communications)	5 4 3 2 1 DK	

WORKSHEET 2 *(continued)*

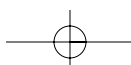
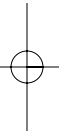
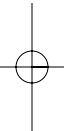
<i>Benefits from Business Alliances</i>	<i>Importance (Circle One: 5 = Extremely Important; 1 = Not at All Important; DK = Don't Know)</i>	<i>Specific Benefits Our Nonprofit Might Seek and Businesses That Might Provide Them</i>
Visibility: distinctive positioning or image building for our organization or our cause (often through public relations and marketing communications)	5 4 3 2 1 DK	
Relationships		
Experts: pro bono assistance for our organization and our primary customers (often with technological, financial, scientific, research, communication, or legal issues)	5 4 3 2 1 DK	
Introductions to other businesses and influential people and groups: access to new sources of benefits for our customers and our organization	5 4 3 2 1 DK	
Other		
Specify other:	5 4 3 2 1 DK	
Specify other:	5 4 3 2 1 DK	



WORKSHEET 2 *(continued)*

What, if anything, should we do to clarify and rate the benefits our organization might seek from businesses?

Additional notes:



WORKSHEET 3

Review Your Nonprofit's Strategic Goals and Readiness for Developing Alliances

Alliances with businesses are part of the mix of strategies and tactics that effective nonprofit organizations employ to serve their customers, reach their goals, and achieve desired results. Taken together, a nonprofit's strategic goals are the board-approved vision of the desired future of the organization. Within that framework, board members, volunteers, and staff can examine how alliances fit and can set objectives for alliance projects.

Successful alliances between nonprofits and businesses require that nonprofits have effective leadership and management, high-quality programs, sound finances, and organizational practices open to entrepreneurial activities. Although effective alliances can help strengthen these fundamental organizational capacities, nonprofits need to have a solid foundation on which to build.

In light of opportunities to develop strategic alliances with businesses, your nonprofit should revisit its mission and strategic goals, consider objectives that might involve alliances, and assess its readiness to pursue them. Your nonprofit can then decide how to increase its capability in any areas and whether to proceed to develop alliances or to wait until improvements are made.

Write your nonprofit's mission, and then address the following questions about your nonprofit's strategic goals and organizational readiness, providing examples wherever possible.

Organization's mission:

Our Nonprofit's Examples

Comments and Concerns

Strategic goals: What aspects of our vision for the organization's future can alliances help us realize?

Effective governance: In what ways does our board demonstrate its capacity to establish sound policy, set clear direction, make timely decisions, delegate appropriately, and appraise performance?

WORKSHEET 3 *(continued)*

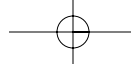
*Our Nonprofit's Examples**Comments and Concerns*

Effective management: In what ways do we demonstrate our ability to systematically plan, implement, and evaluate major initiatives?

Quality programs: What are the programs and services that demonstrate our organization's ability to achieve results?

Sound finances: In what ways is alliance development integrated with our overall resource development activities? Do we have sound financial systems so that alliances with businesses can be managed effectively?

Positive organizational culture: How have we demonstrated an openness to entrepreneurial activities, including seeking new opportunities, welcoming challenges, investing in new initiatives, undertaking reasonable risks, and learning from our experiences, whether or not they are successful?



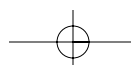
WORKSHEET 3 *(continued)*

Given our answers to these questions, how ready is our nonprofit to develop strategic alliances with businesses?

What, if anything, should our nonprofit undertake to strengthen its capability to develop and manage alliances (such as board, volunteer, and staff training or a resource development or strategic planning process)?

Should we begin developing strategic alliances while we strengthen our capabilities, or should we wait for specific improvements?

If we begin developing strategic alliances, how should we limit, if at all, the number or scope of alliance projects given our current organizational capacity?



WORKSHEET 4

Delegate Responsibilities for Guiding Alliance Development

Developing and managing strategic alliances with businesses involves a range of tasks, from the exploration of specific alliance options through planning alliance activities to periodic review of the entire alliance portfolio. These responsibilities are often guided by a small task group of board and staff members, usually led by the chief executive or an appointed executive staff member and a board member. These groups tend to include people experienced in resource development, project management, marketing, finance, public relations, and communications, as well as those with contacts in the business community. (Sometimes consultants are retained to provide planning or decision-making facilitation or expert advice on capacity building or alliance development.) This task group is responsible for regular communication about alliance development and for seeking governance and management attention whenever appropriate.

Because of the many questions that can arise regarding relationships between nonprofits and businesses, nonprofit boards need to set parameters on ethical matters such as conflicts of interest, product endorsements, and acceptable types of business partners and practices. Additional policy areas may also be addressed. It is a governance responsibility to make sure your nonprofit has adequate guidelines for developing strategic alliances. Appendix D presents a summary of nonprofit policy areas related to alliances and a sample policy statement.

At this point it is important to decide who should undertake the responsibilities for developing alliances with businesses, determine what policy guidelines are needed, and define next steps.

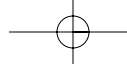
Summarize your nonprofit's answers to the following questions to delegate responsibilities for guiding alliance development.

*Questions About Guiding
Alliance Development*

Suggestions for Our Nonprofit

Comments

Who should be responsible for guiding alliance development in our organization?



WORKSHEET 4 *(continued)*

Questions About Guiding Alliance Development

Suggestions for Our Nonprofit

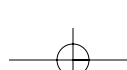
Comments

Should a special group be appointed for any or all of the tasks involved? If so, what areas of expertise or individuals should be included?

Should we consider contractors or consultants in any roles?

What policies do we have and what guidelines do we need to set for developing strategic alliances?

What next steps should we take to clearly delegate alliance development responsibilities?



WORKSHEET 5

List Your Nonprofit's Current Relationships with Businesses

Most nonprofit organizations have many existing commercial relationships with businesses as well as philanthropic and other alliances. Nonprofits purchase supplies, equipment, facilities, and utilities. They use professional services from banks, accountants, lawyers, insurance companies, and others. Nonprofits' transactions with for-profit businesses can involve market rates or discounted fees, as well as donated goods, facilities, and services.

Some businesses develop relationships with nonprofits because their employees volunteer with these nonprofits. Many nonprofits have a range of philanthropic relationships, in which they receive financial contributions from businesses through gifts and events, that are not perceived as strategic alliances.

When nonprofits consider developing strategic alliances, their existing relationships with businesses can provide opportunities for expanding activities and mutual benefits. Therefore an inventory of your current relationships with businesses is an excellent way to begin identifying potential partners for strategic alliances.

To identify your nonprofit's potential strategic alliances, list the businesses with which you currently have relationships, and briefly characterize each relationship.

<i>Business</i>	<i>Character of Current Relationship</i>
1.	
2.	
3.	
4.	
5.	
6.	

PHASE 2

Plan Your Nonprofit Organization's Strategic Alliances with Businesses

WORKSHEETS

6. Map Your Nonprofit's Business Relationships on the Collaboration Continuum
7. Research Each Potential Alliance to Assess Strategic Fit and Opportunities
8. Identify Other Businesses with Which Your Nonprofit Might Create Alliances
9. Design a Marketing Approach for Each Potential Alliance

Process options for PLANNING ALLIANCES

Once you have determined that your nonprofit organization is ready to develop strategic alliances with businesses, planning is necessary to determine which alliances you will actively pursue. Phase Two gives you the opportunity to explore strategic development of current relationships, to identify other potential business partners, and to market alliances with the businesses most likely to provide your customers and your organization with the benefits they seek.

The specific individuals, task force, or team identified to guide alliance development (Worksheet 4) now take responsibility for planning alliances. Coordination with other resource development activities is especially important. Depending on your organization's size and practices, this phase may benefit from additional volunteers and staff who can bring information and insights to

- Thinking strategically about your nonprofit's current relationships with businesses and their alliance potential (Worksheets 6 and 7)
- Identifying new partners (Worksheet 8) and assessing their alliance potential with your nonprofit (Worksheet 7)
- Designing marketing approaches for each alliance your nonprofit decides to pursue (Worksheet 9)

The second and third nonprofit-business alliances ("City Year and Timberland" and "The Stairstep Initiative and General Mills and Glory Foods") in the *Meeting the Collaboration Challenge Video* provide exciting examples of the concepts in Worksheets 6 and 7, and the fourth video example ("Salvation Army Golden Diners and Bill's Restaurant") is especially useful for highlighting the importance of marketing (Worksheet 9). In addition, you may wish to review Chapters Two, Three, Four, and Five in James Austin's book *The Collaboration Challenge* for more information about ensuring strategic fit, making connections, and generating value.

WORKSHEET 6

Map Your Nonprofit's Business Relationships on the Collaboration Continuum

The **Collaboration Continuum** is a framework for thinking strategically about relationships between nonprofit organizations and businesses. Developed by James Austin and adapted here from his book *The Collaboration Challenge*, it consists of three stages:

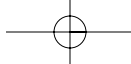
Philanthropic ↔ **Transactional** ↔ **Integrative**

Philanthropic relationships exist between nonprofit organizations and their donors, who provide tangible resources (such as money or goods) in exchange for intangible benefits from the nonprofit (such as enhanced reputation or fulfillment of the desire to help others). Generally, these interactions and activities are handled by the nonprofit's development volunteers and staff and the business's corporate contributions staff. Strategic value is usually determined by considering the resources nonprofits gain that they can use to achieve desired results and the opportunities businesses gain to support their communities and meet their philanthropic objectives.

Transactional relationships consist of exchanges of resources through specific activities, such as event sponsorship, licensing, service contracts, volunteer programs, and cause-related marketing. In comparison with the philanthropic stage, the level of interaction usually intensifies, relationship management becomes more complex, and a broader sense of partnership may develop. This stage tends to involve the business's operating staff (for example, product development and marketing, human resources, finance) and more nonprofit staff from a range of areas. These relationships are usually perceived by both the business and nonprofit partners as having greater strategic value than philanthropic relationships.

Integrative relationships are characterized by joint activities or ventures that are perceived as having major strategic value by both the business and the nonprofit organization. These partnerships usually reflect strong understanding of each other's values, engage top leadership and numerous staff, and involve exploration and creation of new and expanded benefits for both partners. In this stage, formal processes and procedures are developed to handle complex management requirements, and each partner's values and practices are often affected by the other's.

Movement along the Collaboration Continuum generally results from deliberate decisions by the nonprofit organization and the business to modify the scope of their relationship. Some relationships begin at the transactional or integrative stages, and many are hybrids that include philanthropic components along with other projects.



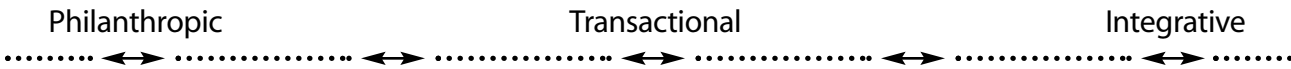
WORKSHEET 6 *(continued)*

Most nonprofits are strengthened by having a diversified resource base, including a variety of relationships with businesses. Your organization can benefit by assessing current relationships with businesses and planning whether and how to move them on the Collaboration Continuum.

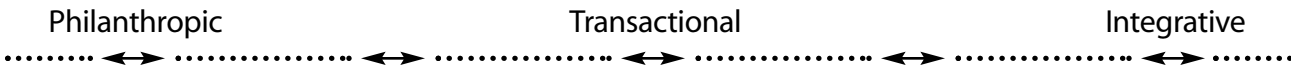
Review Worksheet 5 and the list of businesses with which your organization currently has relationships and place a check (✓) next to those businesses you believe have the most promising alliance potential.

Then, below, fill in the name of each prospective alliance partner, and mark an "X" where you currently find your relationship with that business along the Collaboration Continuum.

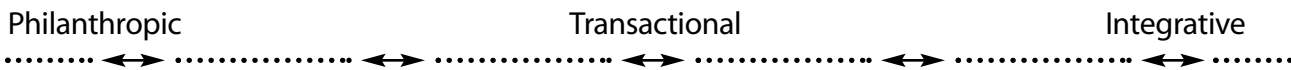
Business (*fill in*): _____



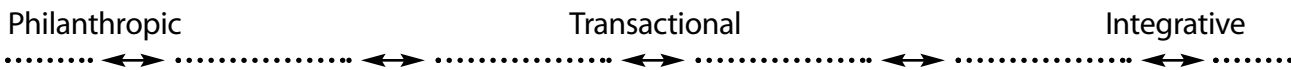
Business: _____



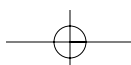
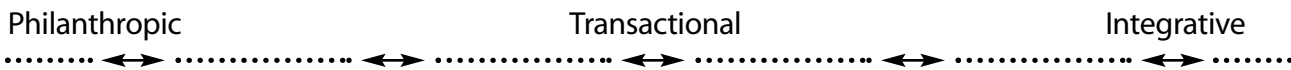
Business: _____



Business: _____



Business: _____



WORKSHEET 7

Research Each Potential Alliance to Assess Strategic Fit and Opportunities

Successful alliances between nonprofit organizations and businesses depend on the partners' strategic fit: **their compatibility and ability to develop mutually beneficial projects.** Research, even regarding businesses with which a nonprofit already has relationships, helps the nonprofit assess strategic fit, opportunities to create mutual benefits, and the costs and risks that may be involved in an alliance. Research may also help to generate ideas about potential alliance projects.

Businesses increasingly release information that describes their missions, values, goals, product and service lines, reputations, and plans. You may wish to review public relations materials, including annual and community relations reports, as well as documents that businesses are required to file with government agencies. You may also inquire into businesses' alliances with other nonprofit organizations and noteworthy business practices.

Some of the most valuable research is conducted by informal networking, especially through your nonprofit's business volunteers. Trade and general interest media carry current news about businesses, including frequent reports on cause-related marketing and other highly visible alliance activities. Businesses' own Web sites are rich sources of information, and the Internet is making it easier to search for local, regional, national, and international business information. Local libraries and print directories continue to be valuable resources. The Drucker Foundation Web site [drucker.org/collaboration/] provides a list of Web sites for business research.

Using your knowledge of your nonprofit's research, respond to the following questions for each business you identified as having promising alliance potential.

Business: _____

How might our mission and values attract and be compatible with this business? Are there areas where our ethics or values might conflict with those of the business?

How might an alliance with this business serve our primary customers and the community? What benefits might this alliance provide to help our nonprofit further its mission? Would this alliance provide services our primary customers value? Would this alliance benefit our nonprofit's operations?



WORKSHEET 7 *(continued)*

How might this alliance contribute to the business's strategy? Would it help generate business? Enhance the company's image? Reach new markets? Support human resource development? Strengthen corporate culture? Improve business and social conditions in the community?

What assets and capabilities might be exchanged in this alliance? What might our nonprofit provide and expect to receive? What might this business provide and expect to receive?

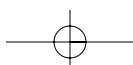
How will this alliance be incorporated into our nonprofit's operating plan? What costs might this alliance involve? How much leadership and management time would this alliance project require from each partner? What other investments of resources might be required?

What risks might this alliance involve? What risks to each other's reputation? What financial risks?

Given this preliminary assessment, does this business have strong potential for a strategic alliance that will further our nonprofit's mission?

If so, note any ideas for alliance projects with this business.

If this business does not seem to have strong alliance potential and our nonprofit already has a relationship with this business, should our nonprofit maintain, expand, narrow, or abandon this relationship?



WORKSHEET 8

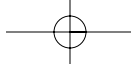
Identify Other Businesses with Which Your Nonprofit Might Create Alliances

Although it is generally easiest and fastest for a nonprofit organization to develop alliances through existing relationships with businesses, many nonprofit organizations seek out additional businesses for alliances. Most nonprofits conduct their own research and outreach activities to find new alliance partners. Potential partners are sometimes found through **market-makers**, including public relations, advertising, and communications firms that develop sponsorships, cause-related marketing programs, and image campaigns. There are also consulting groups that specialize in facilitating partner identification and alliance development for nonprofit organizations.

If your nonprofit wants alliance benefits that are not likely to come from businesses with which it already has relationships, it is best to search systematically for other alliance partners using well-defined criteria. Partner search criteria may include type of industry, mission and values, location, size, financial performance, reputation, philanthropic interests, and track record with other nonprofit alliances. You may wish to refer back to Worksheet 7 for a description of information sources and research approaches.

After reviewing benefit areas you rated highly (3, 4, or 5) on Worksheet 2, describe as specifically as possible those benefits that are *not* likely to be provided by your nonprofit's current business partners. Then, after reviewing your notes on Worksheet 1 about businesses that might value an alliance with your nonprofit, define criteria for identifying businesses that might provide the benefits you seek. Next, using your research, list specific businesses that meet these criteria. Finally, rank the businesses according to the importance of the benefits they may provide and the likelihood of their interest in developing an alliance with your nonprofit.

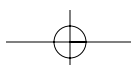
	<i>Potential Business Partner</i>		
<i>Benefits Sought</i>	<i>Selection Criteria</i>	<i>Specific Businesses</i>	<i>Rank</i>
1.			
2.			



WORKSHEET 8 *(continued)*

<i>Benefits Sought</i>	<i>Potential Business Partner Selection Criteria</i>	<i>Specific Businesses</i>	<i>Rank</i>
3.			
4.			
5.			
6.			

Return to Worksheet 7 to assess strategic fit and alliance opportunities for businesses that have promising alliance potential.



WORKSHEET 9

Design a Marketing Approach for Each Potential Alliance

Once a nonprofit organization has determined that a business is an attractive candidate for an alliance, the nonprofit needs to gain that business's commitment to develop an alliance. Viewing each business as a customer, the nonprofit markets an alliance to that prospective partner.

To design an effective marketing approach for each potential partner, plan how to connect with key people in the business, understand the business's needs, foster interest in possible alliance projects, and follow up in a timely, responsive, and persistent manner.

To prepare for marketing each potential alliance, respond to the following questions.

Business: _____

Steps

Our Marketing Approach

Plan how to identify business contacts

If someone associated with our nonprofit has a strong contact within the business, who is the person and how should the business best be approached?

or

If no one in our nonprofit has a strong contact within the business, how will we find one? Do we know others who may have strong contacts or information? Are there business publications or associations that may provide names? Are there logical people in the business to "cold call" (to serve as contacts themselves or to recommend others we might approach)?

WORKSHEET 9 *(continued)*

*Steps**Our Marketing Approach***Plan the initial discussion**

In the light of our research and responses to Worksheet 7 on strategic fit and opportunities, how will our nonprofit make the case that a meeting to explore a potential alliance would be worthwhile?

Who in our nonprofit should conduct this discussion with the business representative?

Plan the initial meeting

Considering our responses to Worksheet 7, what key points should we make during the initial meeting to build the business's interest in a potential alliance?

Who in our nonprofit should plan this meeting? Should the meeting be planned jointly with someone inside the business? Who from our nonprofit should participate in this meeting?

Plan to share information and materials

What do we want the business to understand about our nonprofit and the potential benefits to the business? What materials, if any, should be presented either before or during the initial meeting, such as

- General materials (annual reports, news articles, and brochures)
- A fact sheet highlighting our nonprofit's assets and capabilities

WORKSHEET 9 *(continued)*

Steps

- A one-page concept paper outlining potential benefits to the business and ideas for alliance projects

What questions should be asked to learn more about the business, its needs, and its strategies?

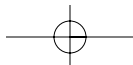
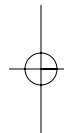
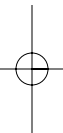
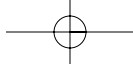
Plan next steps and follow-up

What immediate expressions of interest or commitment do we wish to obtain from the business, and what next steps should be agreed on, such as

- Additional meetings
- Other opportunities to build mutual understanding and develop ideas for the potential alliance

Unless the business explicitly precludes further contact, how will our nonprofit demonstrate interest and responsiveness?

Our Marketing Approach



PHASE 3

Develop Strategic Alliances with Businesses

WORKSHEETS

10. Develop the Purpose and Fit Statement for Each Alliance
11. Develop the Management Plan for Each Alliance

Process options for DEVELOPING ALLIANCES

Once your nonprofit organization and a business have established mutual interest in an alliance, your nonprofit is ready to work together with the business partner to develop clear expectations about alliance projects and to determine how these projects will contribute strategic benefits to each organization. During this phase you collaborate with your alliance partner to design projects and agree on the alliance management plan.

This phase requires the focused time and energy of both the nonprofit organization and the business so the partners can successfully

- Develop the overall strategic framework for the alliance (Worksheet 10)
- Determine how alliance projects will be managed for performance (Worksheet 11)

The specific individuals, task force, or team identified to guide alliance development (Worksheet 4) may continue to lead alliance development, and a *relationship manager* from each organization should be identified at this stage to ensure effective coordination. Depending on the scope of the proposed alliance and your organizational practices, this phase may involve a substantial number of volunteers and staff. Some complex issues may also require the participation of legal or other expert counsel.

Worksheets 10 and 11 are designed to be completed together by alliance partners. They can also be used in advance to guide your nonprofit organization's thinking, to consider how the partner may respond, and to prepare for discussion. The fifth example in the *Meeting the Collaboration Challenge Video* ("The Computer Clubhouse and Intel") may provide useful insights and motivation to help your nonprofit focus on the management challenges addressed in Worksheet 11. In addition, you may wish to review Chapter Eight, on guidelines for collaborating successfully, in James Austin's *The Collaboration Challenge*.

WORKSHEET 10

Develop the Purpose and Fit Statement for Each Alliance

Successful alliances between nonprofit organizations and businesses reflect mutual understanding of the alliance's strategic fit and rely on the partners' ability to develop opportunities into projects that provide significant benefits. The partners work together to design the alliance in order to meet each organization's objectives and contribute strategic value to both.

At this point, meet with your nonprofit organization's business alliance partner and establish clear, mutual expectations about the alliance's purpose and fit. Written agreements are recommended to avoid misunderstandings and provide a basis for future appraisal, though many successful alliances rely on oral agreements, with written documents limited to legal issues.

After reviewing your assessment of the strategic fit and opportunities for an alliance with a business (Worksheet 7), work jointly with your partner to develop a purpose and fit statement.

STRATEGIC ALLIANCE PURPOSE AND FIT STATEMENT

between

Business: _____

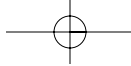
Nonprofit organization: _____

Nonprofit's mission and values:

Business's mission and values:

Nonprofit's assets and capabilities
invested in this alliance:

Business's assets and capabilities
invested in this alliance:



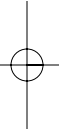
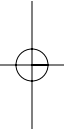
WORKSHEET 10 *(continued)*

Nonprofit's objectives for this alliance:

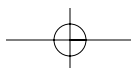
Business's objectives for this alliance:

Contribution to the nonprofit's strategy:

Contribution to the business's strategy:



Alliance project activities:



WORKSHEET 11

Develop the Management Plan for Each Alliance

Successful strategic alliances between nonprofits and businesses depend on effective management by both organizations. This mutual commitment to performance can be reinforced by partners working together to develop the management plan for the alliance.

In meetings with your alliance partner, work together to establish clear mutual expectations. Written agreements help avoid misunderstandings and provide a useful basis for future appraisals. However, many successful alliances rely on oral agreements and ongoing communication to identify and resolve management issues.

After completing the purpose and fit statement (Worksheet 10), work with your alliance partner to develop a management plan.

STRATEGIC ALLIANCE MANAGEMENT PLAN

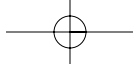
between

Business: _____

Nonprofit organization: _____

How will the alliance capture sufficient attention among each partner's key leaders to achieve its objectives?

Whom will each partner appoint to serve as overall relationship manager(s) and the manager(s) of alliance projects?

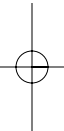
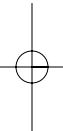


WORKSHEET 11 *(continued)*

How will the alliance be institutionalized in each partner organization's plans and practices to ensure continuity despite any personnel changes?

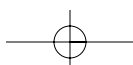
How will the alliance build mutual trust and commitment?

How will ongoing and effective communication about alliance projects be maintained between the partners, within each partner's organization, and with customers and others?



How often will the partners meet to appraise the alliance's progress and the partners' performance?

How will each partner continue to learn about the other in order to strengthen the alliance, explore opportunities, and develop innovations?



PHASE 4

Renew Your Nonprofit Organization's Strategic Alliances with Businesses

WORKSHEETS

12. Prepare for Alliance Appraisal
13. Update Your Nonprofit's Operating Plan
14. Review Your Nonprofit's Portfolio of Alliances

Process options for ALLIANCE APPRAISAL AND RENEWAL

Once your nonprofit organization is engaged in strategic alliances with businesses, it is important to appraise and renew each alliance separately and review all your alliances together as a portfolio. These processes allow your nonprofit to maximize the benefits of alliances, update its operating plan, and incorporate alliances into long-range planning. During this phase, your nonprofit

- Plans independently for appraisal with its alliance partner (Worksheet 12) and then works with its partner to make further plans together
- Updates its operating plan to reflect renewed alliances (Worksheet 13)
- Reviews its portfolio of alliances with businesses, and considers how alliances should be incorporated in long-range plans (Worksheet 14)

Alliance relationship managers generally play a key role in the appraisal process, which can also include volunteers and staff who have been directly involved in alliance projects. The specific individuals, task force, or team identified to guide alliance development for your nonprofit (Worksheet 4) may also participate in preparing for the appraisal of each alliance as well as the review of your nonprofit's total portfolio of alliances with businesses. This is an excellent time to get feedback from your customers—those the alliances are designed to benefit. The insights of customers, volunteers, and staff are helpful when completing Worksheet 12 in preparation for your nonprofit's meeting with its alliance partner to appraise and, if mutually appropriate, renew the alliance.

After your nonprofit completes the alliance appraisal with its partner, the decision will be made whether to maintain, expand, narrow, or abandon the alliance. Where appropriate, the alliance partners revise their initial purpose and fit statement (Worksheet 10) and management plan (Worksheet 11). Worksheet 13 provides a format for summarizing this work and the implications for updating your nonprofit's operating plan.

Finally, Worksheet 14 is designed to help your nonprofit review its portfolio of alliances with businesses for incorporation into long-range organizational assessment and strategic planning. The individuals, task force, or team identified to guide alliance development (Worksheet 4) often provide the leadership to address Worksheet 14. In addition to completing this worksheet, you may want to review pages 140 to 144 in James Austin's *The Collaboration Challenge* for more about strategic management of alliance portfolios.

WORKSHEET 12

Prepare for Alliance Appraisal

Successful strategic alliances usually grow more successful when both partners commit themselves to appraising the alliance, exploring opportunities, developing innovations, and renewing the partnership periodically. Appraisal provides the opportunity to mark progress, review the purpose and fit statement and the management plan, reflect on what each partner is learning about developing an effective alliance, and make further plans. Appraisal is part of the alliance management plan (Worksheet 11) and takes place at intervals appropriate to each alliance. The outcomes of the appraisal process are incorporated into the nonprofit's regular processes for updating operating and long-range plans.

To prepare for an appraisal meeting with your nonprofit's alliance partner, first assess the alliance's performance to date and its potential in the next one to three years. Then, consider how the alliance can provide the greatest benefits within your organization's governance and management capacity. Finally, plan for your nonprofit's meeting with its alliance partner to determine whether to maintain, expand, narrow, or abandon this alliance.

After reviewing the alliance's purpose and fit statement (Worksheet 10) and management plan (Worksheet 11), consider the following to prepare for an appraisal meeting with your nonprofit's alliance partner.

Business: _____

*How Are Our Expectations
Being Met, Not Being Met,
Changed, or Exceeded?*

*How Do We Think
Our Partner's Expectations
Are Being Met, Not Being Met,
Changed, or Exceeded?*

The strategic fit between the partners

Objectives for the alliance



WORKSHEET 12 *(continued)*

*How Are Our Expectations
Being Met, Not Being Met,
Changed, or Exceeded?*

*How Do We Think
Our Partner's Expectations
Are Being Met, Not Being Met,
Changed, or Exceeded?*

Contributions to strategies

The management plan

Is this alliance significantly benefiting our customers and furthering our mission? If so, how?

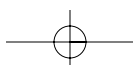
Is this alliance producing unexpected benefits for either or both partners? If so, what are they?

Do the alliance's benefits for our customers and our nonprofit justify its costs? In what ways?

What are we learning about developing a more effective alliance with this partner?

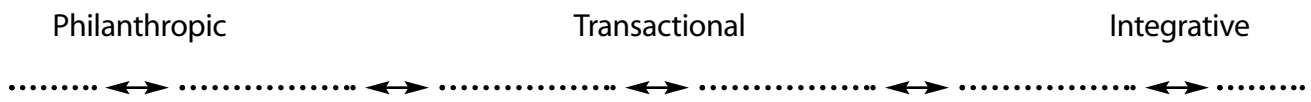
Given this preliminary review:

Based on our organizational capability, does our nonprofit want to maintain, expand, narrow, or abandon this alliance?



WORKSHEET 12 *(continued)*

Over the next one to three years, where might our nonprofit organization want to move the alliance on the continuum? Mark a ★ at the point to which you want this alliance to move.



Therefore, what are our nonprofit's objectives for the appraisal meeting with this alliance partner?

Who from our nonprofit should attend this meeting?

What next steps should we take to develop the agenda and materials for this meeting?

WORKSHEET 13

Update Your Nonprofit's Operating Plan

An effective alliance appraisal process results in the partners' mutual agreement to maintain, expand, narrow, or abandon the relationship. Even when an alliance has been successful, occasionally one of the partners decides it is no longer in its strategic interest to continue, and the partners work together to develop a mutually satisfactory end. Therefore, regardless of an alliance appraisal's outcome, the nonprofit needs to update its operating plan.

Following the appraisal process with your alliance partner, summarize this work and the implications for your nonprofit's operating plan. For example, the revised alliance plan may involve new costs, different allocations of leadership and management time, or investments of other resources.

Following the appraisal process, summarize the work and implications for your nonprofit's operating plan by responding to the following.

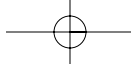
Business: _____

Nonprofit organization: _____

Alliance direction (maintain, expand, narrow, or abandon):

Contribution to our nonprofit's strategies and objectives:

Alliance project activities:



WORKSHEET 13 *(continued)*

Benefits to our customers and our nonprofit:

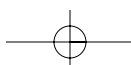
Costs to our nonprofit:

- Financial

- Leadership and management time

- Other investments

What changes does this review suggest for our organization's annual operating plan?



WORKSHEET 14

Review Your Nonprofit's Portfolio of Alliances

Many effective nonprofit organizations revisit their missions and long-range plans every three to five years. These organizational self-assessment and strategic planning processes provide an opportunity to review the portfolio of alliances with businesses and determine how alliances should be employed in the nonprofit's long-range plan.

Nonprofit organizations that engage in alliances with businesses are sometimes involved in several simultaneously. Steps to review an alliance portfolio include listing current alliances with businesses, mapping these alliances on the Collaboration Continuum, and noting how these alliances have helped the nonprofit serve its customers, reach goals, and achieve desired results. These planning processes also provide an opportunity to scan current trends in the ways nonprofits and businesses succeed through strategic alliances.

A portfolio review allows you to acknowledge what your nonprofit organization is learning about meeting the collaboration challenge with businesses, examine whether you should strengthen organizational capacity to develop and manage alliances, and recommend alliance-related goals and objectives for your nonprofit's long-range plan.

To review your nonprofit's portfolio of alliances, use the following chart to list each alliance partner and the alliance's contribution to your nonprofit's strategies.

Alliance Partner

Alliance's Contribution to Nonprofit's Strategy

Business A:

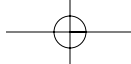
Business B:

Business C:

Business D:

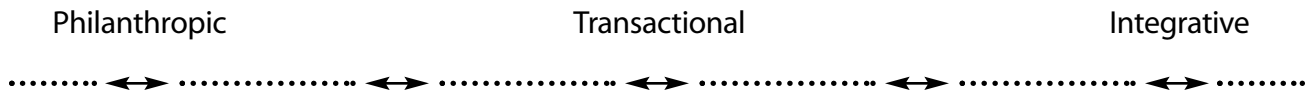
Business E:

Business F:



WORKSHEET 14 *(continued)*

Then, using the most recent alliance appraisal (as reported on Worksheet 13), indicate each alliance's current position on the Collaboration Continuum below with the appropriate lowercase letter (for example, mark an "a" for Business A) and each alliance's desired position in the next three to five years with a capital letter (for example, mark an "A" for Business A). Then address the questions that follow.



How are strategic alliances with businesses helping our nonprofit organization to:

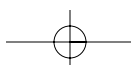
- Serve our customers?

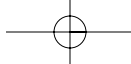
- Reach our strategic goals?

- Achieve desired results?

What are our nonprofit organization's most significant challenges in developing and managing strategic alliances with businesses?

What are our nonprofit organization's most promising opportunities for developing and managing strategic alliances with businesses?





WORKSHEET 14 *(continued)*

In what ways should our nonprofit strengthen its capacity to develop and manage alliances?

How should alliances with businesses be reflected in our nonprofit's long-range goals and objectives?

