



# EXTENDING THE POSSIBLE THROUGH PARTNERSHIP

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# Presentation Outline

- Essentials of Partnering
- Readiness: Preparing to Partner
- Identification: Finding the Right Partner
- Formation: Formalizing the Partnership
- Maintenance: Managing the Relationship
- Exit Strategies: Failure *Is* an Option
- Primed for Partnership



# The Power of Partnership

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- Explores the strategic use of partnerships between:
  - Nonprofits (including trade associations, professional societies and philanthropic organizations)
  - Nonprofits and For-Profit Companies
  - Nonprofits and Governmental Entities

# What is *Partnership*?

- A “good” relationship?
- How would you define it?
- *A cooperative agreement in which involved parties share the profits and/or losses of the activities they undertake*



# Definition

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**Partnership:** a cooperative agreement between two or more organizations where, without subsuming their identities, involved parties share the profits and/or losses of the activities they undertake. Additionally, partners share the risks as well as the rewards generated by their partnership.

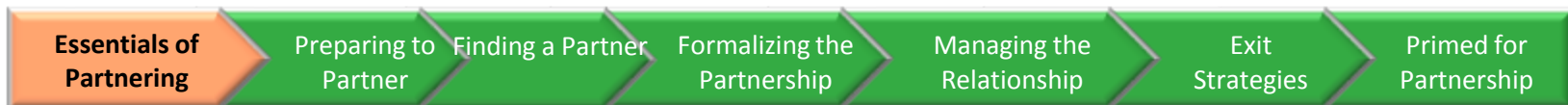
# The Power of Partnership

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- Forming partnerships
- Maintaining partnerships
- Pitfalls of partnerships
- Benefits:
  - Increase services, products, income, and market reach
  - New capabilities
  - Shared resources

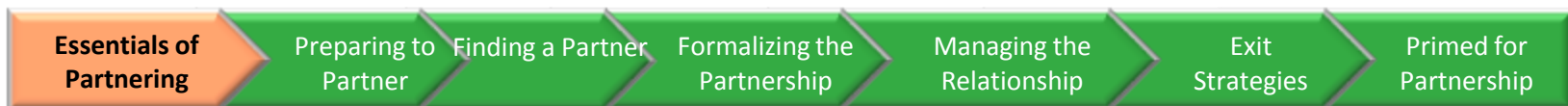
# Essentials of Partnering

- Partnerships
  - Enable organizations to stretch resources, reach new markets, and undertake new strategic initiatives
  - Involves equal sharing of risks and success
- Types
  - Nonprofits with for-profit companies
  - Nonprofits with other nonprofits
  - Nonprofits with government agencies



# Talking Points: Essentials of Partnering

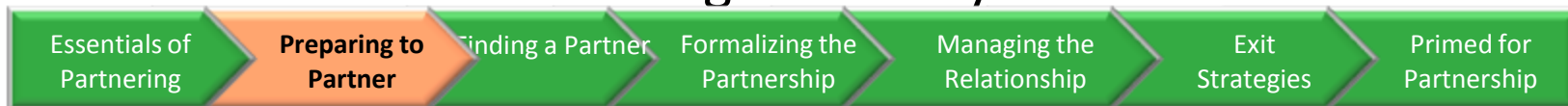
- What might your organization gain from participating in a partnership?
- Do you currently lack the staffing, resources, or contacts to complete a process essential to your organization's growth and stability?
- What successful partnerships currently exist within your industry?





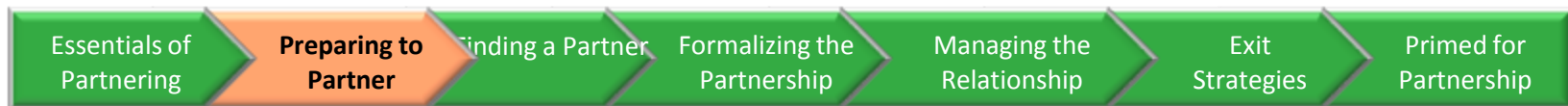
# Readiness: Preparing to Partner

- Start with strategy: Vision, Mission, Principles, Goals, Strategic environment
- Strategic alignment forms the basis of a successful partnership
  - Complementary missions
  - Compatible goals and interests
  - Agreement on principles
  - Strong individual contributions
  - Clear understanding of liability



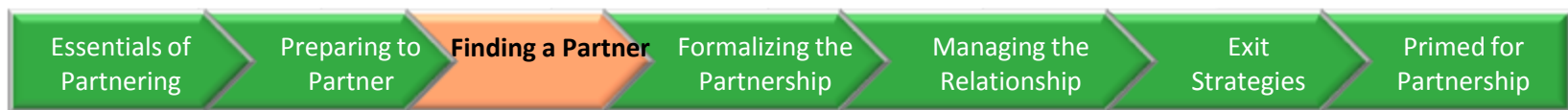
# Talking Points: Readiness

- What does your organization seek to achieve in the long term?
- What are your organization's strengths and weaknesses?
- In which specific areas might your organization benefit from developing strategic partnerships?



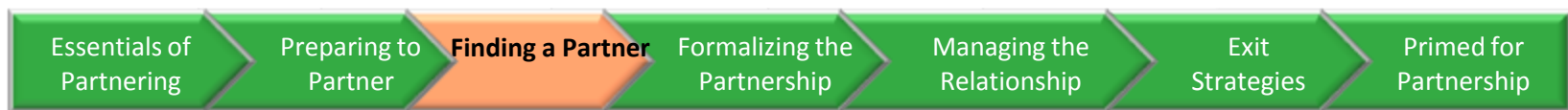
# Identification: Finding the Right Partner

- Be prepared
  - Consider what gaps can be filled, or obstacles surpassed, by partnerships
  - Develop your network
  - Do your homework: ask questions and acknowledge differences
- Don't dismiss “mismatches” too quickly
  - Partnerships can form between large and small organizations
  - Competitors can partner



# Talking Points: Identification

- What networking situations might present good opportunities to identify potential partners?
- What can you bring to a partnership with a larger organization? A smaller organization? A rival?
- What questions about the other organization would you want to answer before embarking on a partnership?



# The Partners

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Did nonprofit/for-profit differences make it harder or easier to partner?

# Formation: Formalizing the Partnership

- Define the goal of the partnership and outline each partner's responsibilities
- Put the operational agreement in writing to prevent misunderstandings
  - Gentleman's Agreement
  - Detailed Operating Agreement
  - New Legal Entity
- Inform all stakeholders
- Finalize and sign agreements



# Talking Points: Formation

- Who should represent your organization on the negotiating team?
- Will a simple document (i.e. letter of agreement or Memorandum of Understanding) suffice? Or is something more complex needed?
- Does the operational agreement limit misunderstandings?



# Management

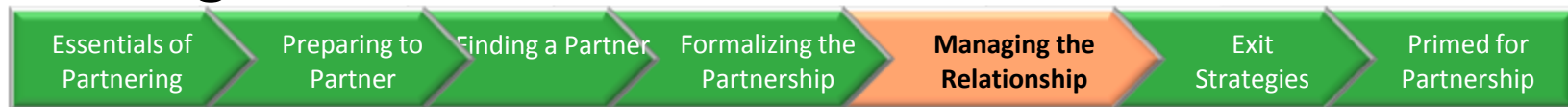
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- Some partnerships suffer from lack of priorities or from responsibilities falling between the cracks. Was this a problem for you?
- How did you manage this relationship?



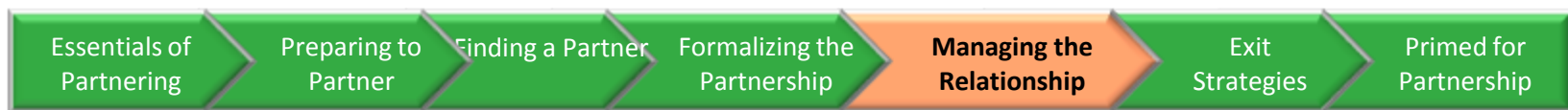
# Relationship Maintenance

- Continual support is necessary
  - Mutual trust and respect
  - Structured and open communication
  - Established points of contact
  - Complementary vision, mission, values
  - Clearly defined roles and responsibilities
  - Well-defined metrics of success
- These elements can help a partnership overcome personality differences and organizational evolution



# Talking Points: Maintenance

- How frequently will you communicate with your partner? By what means?
- How will you assess the partnership's strategic and financial performance?
- How will you handle an unforeseen opportunity or surprise threat to the partnership?



# Influences

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Are there certain individual personalities or management styles that lend themselves to partnering more than others?

# Organization Priorities

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- Are partnerships opportunistic or intentional- strategic or tactical?
- Is partnering considered a regular part of your organization's management culture or priorities?
- If so, how do you cultivate and manage this internally?

# Measuring Success

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- Was this partnership successful for you?
- How do you measure success — is it different for each partner?

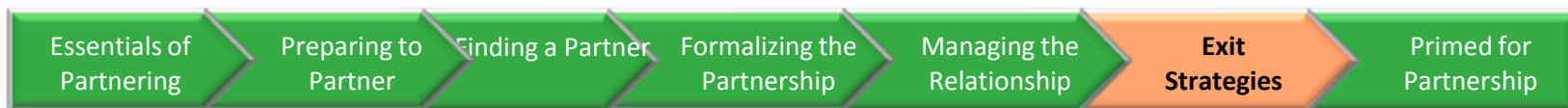
# Success v. Failure

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- Are you willing to share any failures that may have helped you learn certain key things about creating and managing successful partnerships?
- What are the critical factors behind successful partnerships?

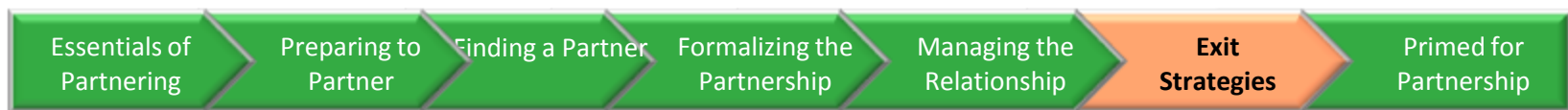
# Exit Strategies: Failure *Is* An Option

- Failure is not necessarily a negative, especially when an organization terminates a partnership to protect its mission and members
- Be wary of trouble signs
  - Loss of authority or identity
  - Consistently missing the partnership's goal
  - Frequent breakdowns in communication



# Talking Points: Exit Strategies

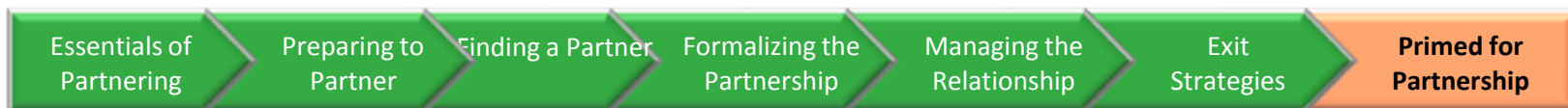
- Have you noticed any “red flags” that might indicate your partnership is faltering?
- What provision for ending or withdrawing from the partnership appear in your formal agreement?
- How can you learn from failed partnerships?





# Primed for Partnership

- Key elements of successful partnerships
  - Each partner must benefit in some strategic way
  - Each partner must understand and respect the other's needs
- Remember that partnerships combine the strengths of all involved parties; mutual welfare depends on teamwork and co-dependency



# Characteristics of Success

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- Mutual trust and respect
- Structured communication
- Established points of contact
- Compatible vision, mission, values and goals
- Clearly defined roles and responsibilities
- Well defined metrics of success

# Readiness Checklist

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- What is the potential partner's mission and is it complementary to your own organization's mission?
- What is their position in the market—are they respected and growing or troubled and in decline?
- What are the assets or hidden liabilities that they bring to the table?
- Will the proposed partnership help your organization achieve a worthy goal that it could not otherwise achieve on its own with its current resources?
- Are there other potential partners who could do the same thing(s) better?

# Readiness Checklist

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- Is there a compatibility of organizational cultures as well as the personalities and management styles of the respective decision makers?
- What are the consequences should the partnership fail?
- If the partnership should be successful, what is its future potential?
- Are your organization's executive staff, volunteer leaders, and governance in agreement on going forward with this action?
- Does your organization have the time, means and interest to invest in managing this relationship?



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