

Collaboration Support Resources

Is a partnership what we need?

Audience	Smaller organisations responding to a new business opportunity.
Purpose	To help smaller organisations consider if pursuing a new business opportunity is better done alone or as part of a partnership, and to help them review the governance and strategic fundamentals that should be in place in either case.
Intended outcomes	Smaller organisations: <input type="checkbox"/> Have a better understanding of whether they should pursue a new business opportunity alone or collaboratively. <input type="checkbox"/> Are more aware of the questions they need to ask themselves before responding to a new opportunity, and have some basic tools to support strategic planning.

This document is part of a series of Collaboration Support Resources designed for voluntary and community organisations.

For more information about the whole series, and to use the other resources, go to <http://www.voscur.org/collaborationresources>

Is a partnership what we need?

The voluntary and community sector is arguably facing more challenges, and having to consider a wider range of opportunities, than ever before. A key determinant of an organisation's ability to survive and thrive in this environment is its ability to react speedily to developments and seize new opportunities.

Once you become aware of a new business opportunity, you need to decide if and how you're going to respond to it – depending on how it fits into your business plan, current services and capacity, and any other new opportunities that may be more or less attractive. As part of this consideration, you may need to ask: ***should we pursue this opportunity alone, or would forming a partnership be better for both our clients and our organisation?***

This document is designed to enable organisations presented with new opportunities to assess the merits and challenges in establishing new partnerships or proceeding without such structures.

This document focuses on reviewing your organisation's governance and strategic and business planning systems, starting with the fundamentals of mission and strategic aims. If you are already confident that these are firmly in place and want to start looking at the options for partnerships, you may want to go straight to [What does working in a partnership mean?](#)

Deciding whether a partnership is right for you

This briefing sets out some key issues when considering a new partnership. It contains a range of tools and activities that organisations and groups can use to support organisational development and decision-making.

Working through this document – considering the questions at each stage, and using the suggested tools – will help you consider whether a partnership might be the best way to approach a specific new business opportunity, and whether you're ready, in more general terms, to work on a collaborative basis.

The process of developing partnerships is as much about ensuring your organisation is as healthy and focused as possible as it is about the mechanics of specific partnership structures. So it's perfectly reasonable to answer the question, "Is a partnership what we need?" by saying no – either because collaboration isn't right for a particular business opportunity, or because your organisation isn't ready or best placed to work with certain potential partners.

If saying no means turning away from a new business opportunity, that can be a difficult decision, especially for a small organisation. But there may be several reasons why it's also a smart decision, as outlined in section 1 below and in [What can small organisations contribute to partnerships?](#)

In theory, creating a robust partnership is a linear process, though in practice it may be less straightforward. Each typical step is addressed in the relevant section below:

1. Mission and planning
2. Governance and leadership

3. Stakeholders and people
4. Risk and independence
5. Ensuring sustainability
6. Partnership assessment

Each section contains:

- A summary: for people who are new to this area of work, providing an overview and context.
- Further details: providing additional information and key principles for this part of the process.
- Key tools: a number of activities and exercises to support decision-making and help organisations discern the best way forward.
- Key questions for discussion: a set of self-assessment questions organisations can ask themselves to determine how prepared and informed they are. The questions are designed to prompt discussion and identify gaps. Voluntary and community organisations (VCOs) considering partnership may wish to undertake these questions independently, as they are predominantly internal.

1. Mission and planning

Summary

VCOs exist for a specific reason, typically codified within their constitutional aims or objects and their mission and vision statements. It is vital that organisations are led by their mission and purpose in the work they undertake. This includes establishing partnerships. It is very important to understand properly an organisation's history and approach when deciding to work more closely together.

VCOs also require robust plans to enable them to deliver their aims, vision and mission. Good planning and clear plans enable organisations to guard against "mission drift", where they chase money rather than focus on what is really important to the service users/customers the organisation exists to support.

Further details

In most organisations, a very high proportion of staff and volunteers contribute because they wish to use their skills to create an impact. Successful organisations harness this motivation and take action to regularly review the organisation's purpose and plans.

Similarly, as the saying goes, VCOs that "fail to plan, plan to fail". Strategic planning shouldn't be a paper exercise or about ticking boxes. Instead, it should engage staff, volunteers and stakeholders in a conversation about the organisation and its purpose. Mission drift is a significant danger at a time when resources are more scarce. Organisations that are firmly rooted in their purposes and have undertaken proper planning processes are more likely to:

1. Be better networked and have a stronger reputation.
2. Identify and seize business opportunities more quickly and successfully.
3. Engage funders, commissioners and donors in more productive exchanges.
4. Understand their unique selling points and the value they contribute.

As a result, clarity of mission and effective strategic planning should be seen as a prerequisite for building strong partnerships.

Key tools

Note: the links to tools throughout this document have all been produced by other organisations and made publicly available. Voscur has republished them for ease of use, but claims no copyright or credit for them.

A large number of resources are available in strategic planning. Some specific voluntary and community sector examples include:

Tool	Summary	Suggested usage
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Strategy for Voluntary Organisations	Information about the strategy development process.	Useful guidance for boards and CEOs from NVCO.
Hot Air Balloon Exercise	Introduction to strategic planning. Particularly helpful for those new to planning.	An accessible tool that can be used by boards, service users, etc.
7S Worksheet	Based on the McKinsey 7S framework – enables you to assess comprehensively your organisation’s processes, strengths and areas for development.	Good for staff/CEOs to undertake and provide boards with a full picture.
PESTLE	Environment scanning analyses a variety of factors and their impact on your organisation – political, economic, social, technological, legal and environmental.	Basic brainstorming exercise to ensure your board and stakeholders appreciate the environment you’re working within and make appropriate decisions.
MindTools.com	Tools to support reviewing and updating mission and plans.	Further tools for management decision-making and leadership, with help to choose which are most appropriate for given situations.

Key questions for discussion

Key question	Implications
Does your organisation know its aims and mission? Does everyone know what you exist to do?	Can cause confusion/mission creep or even operating outside the organisation’s aims and objectives if not clear. Mission creep is the process by which an organisation unintentionally drifts away from its original purpose. The biggest risk in such activity is that the organisation starts to exist to serve itself rather than its beneficiaries.
Does your organisation have a current business plan that it uses in day-to-day activities and regularly monitors progress against?	Can cause lack of focus if not present, as development is more likely to occur in a haphazard way and not be properly monitored or managed.
Are your stakeholders, staff and volunteers involved in defining your organisation’s mission, strategic objective and priorities?	Broad and genuine involvement keeps people on board. This is accepted best practice in planning because it helps maintain focus and identify relevant new initiatives, and prevents individual staff/trustees from following personal agendas.

Does your organisation understand the wider impact of its work beyond specific outputs or contractual targets?	Organisations exist for a social mission, beyond just recording activities. Funders increasingly expect to see robust impact reporting, rather than simply recording specific outputs.
Do you use SMART objectives to meet the needs of customers/service users?	It's important to be as specific as possible about the outcomes you are seeking to achieve in order to be able to monitor progress, identify slippage and build accountability. A SMART objective is one that is Specific, Measurable, Achievable, Relevant and Time-limited.
Do you understand what funders, commissioners and donors want from your organisation?	Fully understanding your stakeholders gives you the best opportunity to continue securing resources. For example, you need to understand the extent to which the ambitions and outlook of your funders and your organisation are aligned.
Do you have a clear plan for the current year with SMART targets for what you will achieve?	Strategies and plans should be developed into manageable, measured components in order to be practical and useful.

2. Governance and leadership

Summary

Governance is the systems and processes concerned with ensuring the overall legality, effectiveness and accountability of an organisation. Transparent governance is a hallmark of the voluntary and community sector. Good governance gives confidence and clarity to potential partners. Effective leadership enables organisations to deliver upon their commitments and develop positive partnerships. Effective communication, team working and problem solving are all required to establish and solidify partnerships and all require effective governance and leadership.

Further details

Leaders need to communicate a clear vision for the organisation, motivating colleagues to perform. Leaders do not need to be especially extroverted or loud, but they do need to be consistent and credible. Leaders in VCOs include trustees, the chief executive or project manager, and any other staff (managers, supervisors, etc.) with line-management responsibility. Effective governance demonstrates accountability to stakeholders and properly balances the need to both challenge managers and support them. It can be particularly difficult to achieve this balance of challenge and support at times of crisis, or at times of stress, which could include developing partnerships. Leaders also need to be able to identify when particular people or groups require additional support or encouragement and when they need to be challenged.

Key tools

Tool	Summary	Suggested usage
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Trustee Skills Audit	Assesses key skills needed by a board in order to be effective.	Enables boards to identify skill strengths and weaknesses and areas for development.
Board Performance Questionnaire	Comprehensive assessment of board performance.	This systematic approach is useful to undertake when boards feel they could be performing more effectively.
Leadership in Challenging Times	ACEVO publication providing case studies and information on effective leadership by CEOs and boards.	Useful pre-reading and helpful advice on maintaining leadership in difficult circumstances.

Key questions for discussion

Key question	Implications
Do your board members receive an induction and understand the organisation well?	Board members should fully understand your organisation in order to make effective strategic decisions.
Do your board members understand governance processes and how their individual and collective duties are discharged?	Board members also need to understand their functions and how they can best contribute.
Are all staff and trustees committed to your organisation and its future?	This broad question is designed to provoke discussion about key issues you may be aware of that need managing.
Are your board meetings regular, effective and action-focused?	Board meetings can make or break an organisation.
Does your board understand the organisation's budget and annual plan?	Board members need to understand key financial issues affecting the organisation.
Do board members know their strengths and skill sets?	Boards need to know their strengths and gaps so they can take effective action.
Do trustees review how they work themselves and continuously seek improvement?	Boards should be reflective and keen to improve their performance and impact.
Does your board spend most of its time on strategic and high-level issues, or does it get bogged down in smaller, day-to-day matters?	Boards that concentrate on smaller/operational items can lose focus and miss bigger opportunities.
Does your board reflect the diversity of the community it serves?	Boards that reflect the diversity of the community they serve are key to ensuring the best decisions are being taken and communicated.

Do leaders in your organisation lead by example?	Boards should embody effective leadership in order to build trust and credibility.
Is communication between your board and its staff two-way?	Boards should actively speak and listen on a regular basis.
Is there a clear and agreed system for internal communication within your organisation?	Communication is a key leadership tool. This needs to be well understood by boards.

3. Stakeholders and people

Summary

Fundamentally, partnership working is about bringing people together around a shared objective. It is important that internal and external stakeholders are given time to build trust and develop an understanding of respective partners' situations. By stakeholders, we mean all individuals, clients, funders, commissioners and members who have an interest in your organisation.

It should also be recognised that developing partnerships can be unnerving externally as well as internally. VCOs must identify their stakeholders and work closely with them to ensure that they understand the nature of any new partnerships and become active supporters. VCOs need to build and sustain good relationships with other organisations and work with them to achieve their own mission. VCOs should seek opportunities to work with others where they can. This includes activity such as making useful contacts, joining umbrella organisations, campaigning and working jointly to undertake research or to fill gaps in service provision.

Further details

VCOs should ensure that they follow appropriate recruitment and management practices and that people's contributions are valued. It is important to allocate sufficient time to working with people and stakeholders to explain proposed new partnerships. It is also important to be explicit, honest and clear about any potential risks in developing a partnership and what action will be taken to mitigate them.

Relationship management is an important part of a board's responsibilities, as they have a key ambassadorial role. This can include representing the organisation in a wider forum, working as part of a consortium, representing the interests of customers/service users, campaigning for change or entering formal partnership agreements with other organisations.

Key tools

Tool	Summary	Suggested usage
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NCVO Workforce Wheel	Supports CEOs/managers and boards to assess their staff's approach, motivation, etc.	Useful for organisations to understand the scale of the workforce challenges that they are facing and undertake action planning.
Stakeholder Analysis Exercise – AIDA	Allows organisations to assess their stakeholders and partners and plan actions to maintain/improve relationships.	Undertake as a mindmap to allow organisations to map important stakeholders/partners.
Scenario Planning – Stakeholders and People	NCVO tool to support strategic planning for voluntary organisations. Particular focus for keeping people informed.	Helpful introduction to the issue and ensures that you don't leave people behind.

Key questions for discussion

Question	Implications
Are all your staff recruited and selected on the basis of fair policies and procedures?	Demonstrating equality of opportunity is important to securing funding and delivering a social mission.
Do your staff and volunteers receive regular and high-quality support and supervision and annual appraisals?	Staff need to be supported, developed and challenged.
Have you established a clear plan to communicate with stakeholders, funders and key individuals associated with your work?	Partnerships or mergers can either significantly concern or reassure funders/partners.
Have you established any additional channels of communication to ensure staff and volunteers can discuss partnership arrangements clearly?	It is good practice to communicate frequently and openly about changes that are planned.
Do your board, staff and volunteers take part in relevant networks and meetings?	Networks form a key part of your organisation's presence and reputation.
Do staff and volunteers know their training needs/aspirations and have clear personal development plans for the future?	Staff and volunteers need to understand their individual futures in relation to potential partnerships because they are the people that will make it happen.
How will staff concerns be monitored and responded to during the partnership process?	It is a good idea to think through potential communication tools in advance.
Have you identified the key organisations and stakeholders who link to your mission? Have you assessed their situations?	Stakeholders and partners form a key part of your organisation's ability to deliver its aims and mission.

<p>Do you know which stakeholders/organisations you need to talk to about partnership working? Is there a clear plan for who will do this?</p>	<p>Poor communication is very easy to slide into. Often the risk is in under-communication, rather than over-communication.</p>
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4. Risk and independence

Summary

VCOs can face many risks. It is important that organisations understand the risks they are facing and the steps they need to take to manage these actively. Risk management should be a reflective process, i.e. it should be undertaken in light of experience and to inform future decision-making. It is also wise to be aware of the risk of **not** doing something, which can often be more damaging in terms of reduced reputation or lost income than the risk of attempting something that subsequently doesn't work. Risks can be external or internal.

At the same time, a key issue for consideration when establishing partnerships is maintaining independence. VCOs looking to establish a new partnership should be clear about where they will be expected to work together and where they will be free to pursue their own interests. This includes managing any conflicts of interest and resultant difficulties.

Further details

Risk management is a vital component of the governance function. Boards have an obligation to protect and preserve the organisation and its resources and robust risk management is a necessary ingredient in achieving this. Risk analysis should be undertaken at least annually by the board, drawing upon the expertise of staff/volunteers.

When considering a new partnership, many organisations are understandably concerned that they will lose their independence and be "swallowed up" by other (often larger) organisations. This is a legitimate concern and needs to be considered carefully. Ensuring that the preceding steps have been followed will help the organisation to assess the severity of this risk. It is also important to consider the alternative in reaching a balanced view – if a new potential partnership is not pursued, an organisation may be able to maintain greater independence but at significant cost and without access to other opportunities.

Key tools

Tool	Summary	Suggested usage
How to complete a risk assessment	Guidance from NCVO	Useful framework for identifying, understanding and mitigating risks in your organisation
Risk Management Workshop	NCVO presentation slides – useful as an introduction to the basics of risk management if these haven't been covered previously.	Helpful for boards/staff who have not had significant experience of risk issues/management.
Charity Commission guidance	Guidance from the Charity Commission	Helpful for boards/CEOs of charities.

Key questions for discussion

Key questions	Implications
Do you understand the risks your organisation faces?	Effective risk management is a key part of governance and management processes.
Do you regularly review and identify organisational risks? Which activities are most risky?	Organisations should be able to briefly describe their highest risks and the potential impact of these risks.
Do all parties involved in your partnership review and identify risks?	Increasingly, risk assessment/management needs to be shared between partners.
Are you confident that your own and your partners' risk processes are robust?	You will need to form a view about the effectiveness of your partners' approach to risk.
Do you feel that circumstances have forced you into considering a partnership structure?	Some partnerships are the result of deliberate choices; others are forced upon organisations. This will inform your actions and approach.
What risks does a partnership pose to your reputation/identity/history? What steps can you take to minimise these?	Partnership working needs to be sensitive to organisations' unique characteristics and seek to combine the best aspects of all partners.
How anxious are you about losing your independence? What discussions have you had with your partners about this issue? What plans are in place to manage it?	Organisations need to be mindful about their independence and assess the risks and opportunities to it in the context of partnership work.

5. Ensuring sustainability

Summary

The voluntary sector is facing significant pressures on funding, particularly those working in health and care. Reduced funding is often a key driver for establishing partnerships. Organisations should generate income through planned work, manage funds effectively and demonstrate prudent use of funds through audits. VCOs also need to understand how changes in their operating environment are likely to impact upon future sustainability. Finally, organisations should build and invest reserves effectively.

Further details

Organisations can become sustainable in a number of ways, including: charging fees for service and generating sales income, fundraising and attracting donations/bequests, making applications to charitable trusts and other funders, and securing tenders from health/local authorities for the delivery of public services. It is important to be aware of the need to diversify income to protect your organisation from the risk of being too reliant on a small number of funding sources.

Key tools

Tool	Summary	Suggested usage
Sustainability Sun Toolkit	Key tool to enable organisations to assess their financial sustainability and income strategy.	Gives practical ideas for support and action. Can be helpful to use periodically to review new threats/opportunities.
Key Sustainability Questions	Ultimately, there are only a few ways that organisations can increase their sustainability.	This simple tool forces organisations to address specific issues and identify actions needed.
Gimme Gimme Gimme – Fundraising Guide	A guide for new organisations just getting into fundraising.	Explains fundraising rules and the opportunities various methods present.

Key questions for discussion

Key question	Implications
Has your organisation developed a clear fundraising and income plan?	You need to understand your own financial plans and discuss these with partners.
Do you agree an affordable, realistic and clear annual budget? How often do you make	Good budgeting and management accounts are really important if you are to present a clear financial picture to potential partners.

adjustments to it during the course of the year?	
How do you rate the financial skills of the relevant staff and board?	Board assessment and self-reflection are key tools to establish your board's financial skills.
Do you know how you invest your reserves and what levels of return you hope to make from them?	An investment policy is an important tool to complement your reserves policy – lots of organisations don't have both.
How robust and appropriate are your insurance policies?	Insurance is a key method by which you safeguard/protect your charitable assets.
How well does the board understand the financial audit process?	Boards should be actively engaged with their audits and use them as tools for improvement.
How robust and secure are your organisation's main funding streams? What would be the impact if the largest one ceased?	It is necessary to understand the size and longevity of your significant funding streams, to establish the opportunities and risk that you can contribute to a partnership.
Have you developed a clear income strategy for the next three years that can guide decision-making and help decide which opportunities to pursue?	It is important to proactively identify and action-plan likely funding sources, rather than react to opportunities as they arise.

6. Partnership assessment (monitoring and evaluation)

Summary

The final stage involves systematically collecting and analysing relevant information to inform future partnership development. This requires your organisation to have clear monitoring and evaluation processes in place. It also requires your organisation and potential partner organisations to discuss their respective findings, ambitions and options in an open way.

Further details

Monitoring information includes qualitative and quantitative data about the users or customers of your organisation as well as feedback from them and other stakeholders. It also includes an assessment of your organisation's impact beyond the results of its direct activities and outputs. There are a wide range of tools available for monitoring and evaluating your organisation's impact. Many of these are custom-made for specific types of work.

It is vitally important that initial discussions concerning partnership working recognise that all organisations are different and have unique histories and specific cultures.

Key tools

Tool	Summary	Suggested usage
Impact Tools Guide	Summarises most impact tools for VCF groups.	For people new to impact or unsure which tools to use.
Vital Ingredients	Explains ingredients needed for partnership working, using case studies.	Provides an understanding of common issues associated with different models of partnership.

Key questions for discussion

Key question	Implications
How do you decide what to monitor and evaluate? How does this link to your strategic/business plans?	Effective partnership working requires you to understand your organisation's impact.
How clear and understandable is the system your organisation uses for recording information about projects/activities?	Performance and impact systems should be comprehensive, simple and forward-looking.
Have you developed a range of indicators and outcomes that can measure all aspects of your organisation's work?	A range of indicators is needed to establish the full impact of your work and to help establish cause/effect.
How well do your monitoring/evaluation systems link to your organisation's aims and mission?	Your organisation exists to fulfil a social mission – your monitoring/evaluation systems need to reflect this.
Do you benchmark your impact/results against those of other similar organisations?	Partnership work requires you to understand what you contribute that is different/unique.
What gaps or areas for improvement have these "Key questions for discussion" identified within your organisation?	Don't just leave this as a paper exercise. Use the tools and questions to produce a clear action plan.
What are the immediate next steps that you need to take in order to progress creating a partnership with other organisations? Who is best placed to have these initial discussions?	Ensure that a specific person is given responsibility for carrying out each action in your agreed action plan in a specific and realistic timescale.

It may also be helpful to undertake these steps in conjunction with the tools identified in [Choosing a partnership structure](#), a one-day workshop that has been written for this purpose.