

## Collaboration Support Resources

### What can small organisations contribute to partnerships?

Audience	Small organisations considering collaboration (especially subcontracting to larger partners).
Purpose	To help small organisations become aware of the risks and challenges involved in establishing a new partnership, and to show them how to prioritise their activities to best position themselves in the 'marketplace' and ensure their strengths and contributions are properly valued.
Intended outcomes	Small organisations: <input type="checkbox"/> Have a better understanding of what they can offer to partnerships (especially with larger partners). <input type="checkbox"/> Have more confidence in identifying, explaining and selling their strengths.

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>



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## What can small organisations contribute to partnerships?

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### 1. Introduction

Though often confident of the difference they make to individuals, and very proud of their connection to specific local communities, small organisations can be much less confident about promoting and evidencing these strengths to potential partnerships – especially with larger charities and businesses.

That's not to say that every potential new partnership is a good opportunity. Nor does it mean that smaller organisations can assume partners will come knocking on their door. There are still considerable risks in developing a partnership – not least that you may put in lots of time and effort to a relationship but get nothing in return at the end of the process (if you fail to agree the terms for collaboration, or are unsuccessful in tendering).

This document sets out some of the main assets and opportunities that smaller organisations can contribute to partnerships and outlines some approaches to help ensure that these assets are properly understood and valued by potential partners.

As noted in the overall [introduction](#), we have distinguished three broad types of collaborative working: peer, public and prime partnerships. The assets and opportunities, outlined in section two below, that smaller organisations can contribute to these partnerships are equally applicable to each type. The risks and challenges associated with each type, however, form a more distinct spectrum, as described in this table:

	Peer partnerships	Public partnerships	Prime partnerships
	← Less -- RISK -- More →		
Advantages	<input type="checkbox"/> Fewer barriers to participation <input type="checkbox"/> Less risk <input type="checkbox"/> Greater opportunity to influence	<input type="checkbox"/> Open, transparent process <input type="checkbox"/> Equal contribution to decisions	<input type="checkbox"/> Clear process/management <input type="checkbox"/> Only opportunity to deliver (because you can't deliver alone) <input type="checkbox"/> Learning opportunity <input type="checkbox"/> Financial 'safety net'
Disadvantages	<input type="checkbox"/> Risk of complacency <input type="checkbox"/> Risk of existing relationships overriding due diligence <input type="checkbox"/> Risk of overlap/duplication between partners <input type="checkbox"/> No prime 'safety net'	<input type="checkbox"/> Still requires leads/subs at delivery stage <input type="checkbox"/> Needs robust (independent) process to develop approach (to avoid self-defeating competition)	<input type="checkbox"/> Most risky <input type="checkbox"/> Most resource intensive <input type="checkbox"/> Competitive rather than open and transparent <input type="checkbox"/> At one remove from commissioners <input type="checkbox"/> Financial terms unfavourable

## 2. Opportunities and assets

What are the strengths and benefits that your organisation can contribute to a partnership (especially where some partners are much larger)?

The table below sets out some example strengths that your organisation may have, outlines why they are valuable, notes some types of evidence that show your organisation can indeed make such a contribution, and suggests ways in which the strength or asset can be leveraged in negotiating the terms of an agreement. Reviewing these examples, and identifying your organisation's particular strengths, can contribute to your 'organisational CV' (see [Selecting a lead agency](#)), which can be used to help initiate discussions with potential partners as well as plan your negotiations with them – if and when development gets to that stage.

Asset	Why valuable?	Evidence?	How to use in developing a partnership?
<b>Specialist knowledge/experience</b> (of client groups, communities, service models) <input type="checkbox"/> Innovation? <input type="checkbox"/> What works?	<input type="checkbox"/> Small organisations create value by innovating in response to client needs <input type="checkbox"/> Can give a partnership a 'unique selling point'	<input type="checkbox"/> Service user satisfaction surveys/evaluations <input type="checkbox"/> Current service outcomes <input type="checkbox"/> Funder's feedback on your work/reports	<input type="checkbox"/> Negotiate above benchmark costs for innovative and unique approaches <input type="checkbox"/> Complement prime's efficiencies/scale with creativity and responsiveness <input type="checkbox"/> Secure resources to scale-up your model
<b>Local knowledge</b> (of other VCS groups, current providers, where to get and make referrals)	Local knowledge is often crucial to effective delivery, especially for a social prescribing service, for example	<input type="checkbox"/> Participation in local forums/networks <input type="checkbox"/> Established referral processes <input type="checkbox"/> Contribution to local strategic boards	<input type="checkbox"/> Adds value to a partnership bid <input type="checkbox"/> Prime gains local knowledge quickly rather than having to learn for itself
<b>Local relationships</b> (with commissioners, other statutory agencies, public bodies)	Local relationships provide insight into strategic priorities, especially for non-local primes	<input type="checkbox"/> Understanding of local strategies and their evolution (CCG, HWB <sup>1</sup> , NPs <sup>2</sup> ) <input type="checkbox"/> Track record of referrals and joint working	<input type="checkbox"/> Primes gain strategic intelligence through your historical knowledge <input type="checkbox"/> Ability to get new services started quickly adds value to bid <input type="checkbox"/> Primes can build on your relationships to develop new ones <input type="checkbox"/> Local suppliers/partners add social value

<sup>1</sup> Local health and wellbeing board.

<sup>2</sup> Local neighbourhood partnerships.

<b>Understanding and responsiveness to clients' needs</b> (user involvement, co-design, co-production)	<input type="checkbox"/> Insight into the causes and assets (not just symptoms) associated with local needs <input type="checkbox"/> Previous input to local intelligence and strategy formation	<input type="checkbox"/> History of user involvement/ co-production <input type="checkbox"/> Service user trustees <input type="checkbox"/> Client analysis <input type="checkbox"/> Participation in consultations, public panels	<input type="checkbox"/> Existing services and relationships to build on rather than starting from scratch <input type="checkbox"/> Strong governance (clients on board) adds value to bid
<b>Smaller organisations may have led previous partnerships</b> (e.g. peer partnerships)	<input type="checkbox"/> Experience of collaborative service delivery, perhaps more than some larger organisations <input type="checkbox"/> Fresh approaches to service design/management	<input type="checkbox"/> Involvement in and/or leadership of previous local collaborations	<input type="checkbox"/> Demonstrate management as well as service skills to prime <input type="checkbox"/> Develop management experience and ensure they have equal participation in decision-making
<b>Public bodies value the combined expertise of complementary partners and the social value</b> that large organisations help to create by working with smaller ones	<input type="checkbox"/> Partnerships can be greater than the sum of their parts <input type="checkbox"/> A strong partnership potentially reduces risks for the public body	<input type="checkbox"/> Joint business plan/ prospectus <input type="checkbox"/> Joint SWOT analysis identifying fit between different partners	<input type="checkbox"/> Local delivery partners are likely to align with strategic priorities and help commissioners meet their wider social aims <input type="checkbox"/> Be open and realistic: focus on your specialist skills and services – don't claim to be IT and impact-reporting experts as well if you're not
<b>Building mutual capacity</b> (in VCS partnerships without additional external inputs <sup>3</sup> ) and <b>learning new lessons</b> from commercial primes	<input type="checkbox"/> All partners stand to gain through learning, in addition to the services delivered	<input type="checkbox"/> Specific approaches, models and experience (intellectual property) <input type="checkbox"/> Lessons (formal and informal) from previous collaborations	<input type="checkbox"/> VCS partners support each other, reducing the burden on the lead <input type="checkbox"/> Be clear with primes about what support you do and don't need from them, and what you can contribute
<b>Social action</b>	<input type="checkbox"/> Volunteer input	<input type="checkbox"/> Current	<input type="checkbox"/> Using social action

<sup>3</sup> Collaborative working between large and small voluntary organisations, Aston Centre for Voluntary Action Research, 2006, p. 3.

initiatives create additional impact (volunteering)	<p>increases the impact of services for both clients and volunteers</p> <p><input type="checkbox"/> Social action is currently, and will likely remain, high on the policy agenda</p>	<p>volunteer initiatives</p> <p><input type="checkbox"/> Established policies and procedures</p> <p><input type="checkbox"/> History of recruiting and managing relevant volunteers</p> <p><input type="checkbox"/> Previous impact evaluations</p>	<p>initiatives (volunteering) to support and increase the impact of public services adds value to your bid</p> <p><input type="checkbox"/> Volunteer roles often offer opportunities for clients and ex-clients to consolidate the support they've had and maintain involvement with the service</p>
<b>Can-do attitude and pragmatic approach</b>	<p><input type="checkbox"/> Smaller organisations can often be more responsive to change and more adaptable than larger ones</p> <p><input type="checkbox"/> Primes want to work with partners who are easy to do business with and understand the dynamics of a partnership from their perspective</p>	<p><input type="checkbox"/> Prepare your partnership criteria with reference to the main contract to show you understand the business drivers</p> <p><input type="checkbox"/> Clear operational information (real costs, timings, operating models) to explain your criteria</p>	<p><input type="checkbox"/> Understand the big picture, including the main contract, because it shapes primes' approach and the terms of subcontracts</p> <p><input type="checkbox"/> Be clear about proposed terms/risks you can or can't agree to, not just that you don't like: explain why they are unacceptable and try to offer alternatives</p>
<b>Client-focused culture and organisational values</b>	<p><input type="checkbox"/> Senior staff in larger charities can become removed from the frontline and benefit from a refresher in grassroots priorities</p> <p><input type="checkbox"/> Successful services must have earned the trust of (especially 'hard to reach') clients: unless they believe in it, it won't work</p>	<p><input type="checkbox"/> Ongoing procedures for client involvement</p> <p><input type="checkbox"/> Previous evaluations that demonstrate the relationship between client input and service impact/ outcomes</p> <p><input type="checkbox"/> Previous bids and partnerships</p>	<p><input type="checkbox"/> Demonstrating trust earned with a client group adds value to a bid</p> <p><input type="checkbox"/> Evidencing how client input improves the impact and outcomes that a service delivers supports the use of relevant approaches</p> <p><input type="checkbox"/> A track record in reaching 'hard to reach' clients is valuable, especially to organisations without experience in a certain area or with a certain client group</p>

### 3. Potential risks and challenges

Even the most natural and successful collaborative working involves both risks and challenges. Many risks can be comfortably managed, but some may be significant enough to mean the partnership isn't going to work. In principle, addressing risk is a simple process:

- a) Identify potential risks.
- b) Identify the likelihood and severity of these potential risks.
- c) Identify how these risks can be mitigated.
- d) Assess the net significance of the risks once the mitigating measures have been actioned.
- e) Decide if the resultant risk is acceptable or not.

Appendix A outlines this process using a simple traffic-light system of categorising risks, with some examples of common risks and how they can be managed.

The table below outlines some common risks and challenges that smaller organisations may face in developing a partnership, and suggests some ways they can be addressed:

Risks and challenges	How to manage risks and overcome challenges
<b>You may lack confidence about your unique skills and strengths (challenge)</b> – so may accept less than ideal partnership terms just to have a place at the table (risk).	<ul style="list-style-type: none"><li><input type="checkbox"/> Identify your assets and strengths, specifically in relation to particular opportunities and potential partners. Your niche experience may be just what a larger organisation is looking for – see <a href="#">SWOT tool</a>.</li><li><input type="checkbox"/> Understand your full operating costs, including the costs necessary to maintain quality and your unique strengths – not just the bare minimum for salaries, rent, etc. (New Philanthropy Capital and ACEVO published an old but still useful <a href="#">introduction to Full Cost Recovery</a> with an associated <a href="#">toolkit</a> and the Charity Finance Directors Group have published a more <a href="#">strategic guide to costing</a>).</li><li><input type="checkbox"/> Work out your best- and worst-case cost scenarios. Don't then feel forced to accept anything less than your worst case – see Appendix B below.</li></ul>
<b>You may lack the necessary resources to develop lots of relationships with other potential partners (challenge)</b> – so could be picked by lead agencies rather than picking who you want to work with (risk).	<ul style="list-style-type: none"><li><input type="checkbox"/> Try to be proactive in identifying your preferred partners rather than waiting to be approached – see <a href="#">Selecting a lead agency</a>.</li><li><input type="checkbox"/> Identify the essential and desirable characteristics of a partnership agreement – and stick to them! See Appendix B below.</li><li><input type="checkbox"/> Prepare a standard overview (or 'CV') of your organisation to give to all potential partners (rather than responding ad hoc to different questions from them all). See <a href="#">Selecting a lead agency</a>.</li></ul>
<b>You may lack influence in a partnership's decision-making processes, especially if led by a much larger lead agency or prime (challenge)</b> – so you may feel	<ul style="list-style-type: none"><li><input type="checkbox"/> Use your assets and strengths (see section 2 above) to ensure a prime understands the expertise and values you bring – these are what give your input credibility, and therefore provide an argument to be part of decision-making processes. See <a href="#">Selecting a lead</a></li></ul>

<p>undervalued, disempowered and forced to accept changes to the working of the partnership (risk).</p>	<p><u>agency</u>.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Ensure your role in decision-making, however significant, is written into the terms of any agreement – see <a href="#">Preparing for collaboration</a>.</li> </ul>
<p><b>You may find it difficult to negotiate the terms of a potential subcontract (challenge)</b> – so you may be unable to respond as fully as you want to your clients' needs due to a lack of resources (risk).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> If not already specified in existing contracts, quantify your current standards for working with clients in a way that can be compared to future agreement terms (duration of support, engagement protocols, hourly costs, etc.) – you then have a firm basis and rationale for negotiation, and can decide in advance what is and isn't acceptable.</li> <li><input type="checkbox"/> Aim to have regular and meaningful service user input written into the terms of your contract.</li> </ul>
<p><b>You may feel it necessary to join a partnership bidding for a service you currently provide, because it's becoming part of a larger contract (challenge)</b> – and worry your specialist skills/experience may be lost because the lead agency favours other support models (risk).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Use your assets and strengths to negotiate a mixed model approach to delivery.</li> <li><input type="checkbox"/> If key to your organisation's identity and sustainability, ensure the use of your specialist skills/experience is a 'Must' characteristic for collaboration, and look for a prime that is happy to agree to it (rather than try to change another prime's established approach) – see Appendix B below.</li> </ul>
<p><b>You may lack the resources to financially model contract terms and/or feel it difficult to negotiate more favourable ones (challenge)</b> – so onerous payment schedules could make your cashflow position unsustainable (risk).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Ensure you fully understand the main contract/subcontract and produce detailed models of best- and worst-case financial scenarios – see <a href="#">Guide to Contract Law</a>.</li> <li><input type="checkbox"/> Get professional help and advice (either through your contacts/trustees/treasurer or by paying for it) to ensure your models are as reliable as possible.</li> <li><input type="checkbox"/> Work with your board to decide the level of risk you are comfortable with – see Appendix A below.</li> </ul>
<p><b>Your organisation may have relatively high unit costs (i.e. cost per hour/client) that are unattractive to potential partners (challenge)</b> – so you may feel pressured into reducing your price without being able to assess how this would also reduce quality and effectiveness (risk).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> If your costs are relatively high because they involve specialist procedures, the additional impact of this specialist input should justify the cost. Measuring and evidencing the additional impact you create will help to prove this – see <a href="#">Comparison of Impact Measurement Approaches</a> or <a href="#">Getting Started in Social Impact Measurement</a>.</li> <li><input type="checkbox"/> If your costs are quite high because your organisation is relatively small, i.e. has proportionately large overheads and few economies of scale, modelling how working with a larger partner could address these issues is likely to be welcomed by potential primes. See NPC's <a href="#">Introduction to Full Cost Recovery</a> or the Charity Finance Directors Group's <a href="#">guide to costing</a>.</li> </ul>
<p><b>You may identify organisational cultures and values that are potentially incompatible with some partners (challenge)</b> – and this can lead to serious practical difficulties</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> It is easy to imagine cultural differences between smaller charities and larger private companies, and, although being aware of these differences doesn't mean they can be resolved, it does at least mean you're likely to have more reasonable expectations</li> </ul>

<p>for service delivery (risk).</p> <p>[There are tools and exercises for analysing organisational cultures, but all rely on inside knowledge, rather than external perspectives. In practice you will therefore need to piece together a sketch from an organisation's website, annual report, public publications, etc.]</p>	<p>about working with them as a partner.</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Conversely, it is potentially more difficult to quantify incompatibilities that may exist between different charities (regardless of size) because you may well assume your cultures and values are the same. For example, are the organisations hierarchical or flat, charities or social enterprises, strongly linked to different ethnic communities, etc.? (See <a href="#"><u>Is a partnership what we need?</u></a> and <a href="#"><u>What does working in a partnership mean?</u></a> for more about cultures and values.)</li> </ul>
<p><b>You may lack the resources and single point of decision-making that enables partners to move quickly (challenge)</b> – so may feel pressured to make decisions without giving them the level of consideration required, potentially compromising your trustees' duties to act with due care and prudence (risk).</p>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Plan in advance with the board and set out likely scenarios – see <a href="#"><u>NCVO Scenario Planning guide</u></a>.</li> <li><input type="checkbox"/> Set up a collaboration subgroup of trustees to take the lead in ongoing decision-making so the process is timely.</li> <li><input type="checkbox"/> Ensure as far as possible that the information that partners will want, and that may be required for the PQQ – i.e. policies, procedures, financial track record, operating costs, referees, etc. – is up to date and complete. (See Appendix A of <a href="#"><u>Selecting a lead agency</u></a>.)</li> </ul>

## Appendix A. Risk tools

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### 1. Likelihood and severity traffic lights

To assess the level of any risks, the usual process involves:

- a) Identifying the specific risk;
- b) Assessing the likelihood of the risk actually happening, from almost certain to rare;
- c) Assessing the severity of the risk, should it happen;
- d) Categorising the risks by combining the severity and likelihood assessments, as set out in the table below:

Likelihood	Severity				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost certain	Low	Low	Moderate	High	High
Likely	Low	Low	Moderate	High	High
Possible	Very low	Low	Moderate	High	High
Unlikely	Very low	Very low	Low	Moderate	High
Rare	Very low	Very low	Low	Moderate	High

An alternative method is to assign numeric scores for both severity (1 = insignificant to 10 = catastrophic) and likelihood (1 = rare to 10 = almost certain). Then multiply them to produce an overall risk level, and prioritise accordingly.

### 2. Assessing and deciding on risks

Having first identified and categorised specific risks as very low to high, you then need to decide if and how they can be mitigated or managed, i.e. what can you do to reduce the likelihood and/or potential severity of each risk? For some, there will be little you have any control over. For others, even risks seen as initially high can be adequately addressed in simple, practical ways to reduce their net risk to much more manageable levels, as illustrated below. The level of managed (or ‘net’) risk should then be used to set priority actions and inform decision-making.

Risk	Initial risk	Mitigation	Managed risk
Our reputation as a result of working with prime could be affected negatively	High	<input type="checkbox"/> Undertake client consultation <input type="checkbox"/> Proactive communications strategy in place	Very low
Payment terms	High	Agree minimum acceptable scenario	Moderate
TUPE	High	<input type="checkbox"/> Work proactively with the commissioner to get earliest information <input type="checkbox"/> Get adequate legal advice	High
Not using/losing expertise	High	Retain expertise in non-collaborative services	Moderate
IT systems integration	High	Write process and costs into bid	Low
Board decision-making time	High	<input type="checkbox"/> Undertake scenario planning in advance <input type="checkbox"/> Establish collaboration subgroup for quick decisions	Low

## Appendix B. Planning negotiation: MoSCow

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Identify your issues for negotiation and categorise them into what:

- Must** be agreed for the partnership to be acceptable.
- Should** be agreed for the partnership to work in your favour.
- Could** be sacrificed (especially in return for gains in more important areas).

Identify the best- and worst-case scenarios for how negotiations may work out. The worst case is not ideal, but still acceptable. For example:

Issue for negotiation		Best	Worst	Not acceptable
<b>Must</b>	Payment terms	Full in advance	Split advance/PbR	100% PbR
	Volume of work	360 clients pa	250 clients pa	< 250 clients pa
<b>Should</b>	Price	£120/client	£80/client	< £80/client
	Monitoring terms	Monthly	Fortnightly	Weekly
	Delivery model	Asset based	Mixed	No peer support
<b>Could</b>	Brand	Your branding	Prime's branding	
	Flow of referrals	30/month guaranteed	10/month guaranteed	
	Communications	Individual	Joint	
	IP	Retained	Owned by prime	

Following your discussions, identify what was agreed and what wasn't. Depending on which issues were and weren't agreed, and whether they are Musts, Shoulds or Coulds, decide whether or not to proceed. Note that in the example below, there were fewer issues agreed in scenario B, but the ones that were agreed were of greater importance, so further development is more likely than in scenario C. (If you've got your Musts, don't quibble over a couple of Coulds for the sake of it, as the prime may choose to work with another partner who they feel is easier to work with!)

Issue for negotiation		A. Ideal	B. Possible	C. Unlikely
<b>Must</b>	Payment terms	✓	✓	✗
	Volume of work	✓	✓	✓
<b>Should</b>	Price	✓	✗	✗
	Monitoring terms	✓	✓	✓
	Delivery model	✓	✓	✗
<b>Could</b>	Brand	✓	✗	✓
	Flow of referrals	✓	✗	✓
	Communications	✓	✗	✓
	IP	✓	✗	✓