

COLLABORATION HELPS NOT-FOR-PROFIT ORGANIZATIONS REACH THEIR GOALS

..... PREPARED BY

SUE KRANTZ
Partner



3201 Enterprise Parkway, Suite 410 • Beachwood, OH 44122

P: 216.831.0733 • F: 216.765.7118 • zinnerco.com •   

In today's economic environment, we are seeing more not-for-profit organizations joining forces as they are finding alternative opportunities for survival and growth. With funding sources on the decline, creative collaboration has been key to maintaining the existence for many valued causes.

Leaders of not-for-profit organizations understand the need to provide superior services efficiently. Therefore, many organizations have come to recognize at times they can actually provide better services to the community jointly, instead of operating as separate organizations. These leaders are recognizing that collaboration can infuse new creativity, streamline service delivery and eliminate duplication as an added incentive. Organizations may have strengths in differing areas, but by coming together they are able to enhance services and solidify a sound future.

Organizational collaboration happens many ways and can be used to address economic pressures, as well as the changing needs of the not-for-profit sector as it grows and matures. In some cases relatively equal organizations come together to provide services. Other instances involve smaller organizations folding into larger ones or one organization assuming control of a second with each still remaining as separate organizations. Yet there are some organizations that share only administrative functions, and organizations that manage one or more programs jointly in order to further their own mission separately.

There are examples of recent successful collaborations right here in our own backyard. ParkWorks and Cleveland Public Art decided to join together to form a new organization called LAND Studio. Although the two organizations began with different missions, in recent years their missions have paralleled one another. Together they will have a larger annual budget to work with, the ability to work on larger projects and more opportunities to attract funding. Collectively they will have a stronger presence to create public spaces and connect people in our community.

In 2011 E CITY programs came under the Youth Opportunities Unlimited umbrella. E CITY focused on entrepreneurship and like Y.O.U., was passionate about helping at-risk teens acquire valuable skills and work toward success. The union of these organizations provides a broader and deeper collective impact through more effective programming and accomplishes more together than they could have independently.

The Cleveland Rape Crisis Center (CRCC) is welcoming the Ohio Alliance to End Sexual Violence (OAESV) to Cleveland, thereby creating jobs and statewide change. By partnering with this statewide organization, CRCC is strengthening rape crisis services throughout Ohio. Many similar programs across Ohio have had to close, leaving survivors in our state with nowhere to turn for help. CRCC signed a management services agreement with OAESV, and the CEO of CRCC becoming the CEO of both organizations. While the organizations will maintain separate entities, Boards, missions and staff, the statewide coalition can continue to focus on its core work throughout Ohio by leveraging on the organizational infrastructure of CRCC because they are now sharing office space, equipment and professional services.

Since it was difficult to find another local organization that shared a mission with the Epilepsy Association, they creatively teamed up with the Kidney Foundation of Ohio to share certain operating costs and reduce expenses. These organizations have combined space in the same building and are saving rent, utilities, equipment costs, a receptionist and accounting personnel. This allowed each organization to save a considerable amount of operating costs which permits allocation of needed funds towards their respective core mission.

In the past, the Cleveland Play House (CPH) could not just focus on presenting plays and theatre education programs of the highest professional standards. It had to worry about maintaining its large facility with high overhead and maintenance costs. In order to concentrate on its core mission, CPH recently sold its land and building and the Power of Three: The Allen Theatre Project was formed as a cooperative venture between the Cleveland Play House, Cleveland State University and PlayhouseSquare. Through joint fundraising, three new state-of-the-art theatres were created at PlayhouseSquare, which will be home to CPH as well as CSU's Department of Theatre and Dance. The project was divided into pieces, with each organization managing a different aspect. Without this partnership, the individual campaign needs of CPH and CSU would have been too much for the philanthropic community to support. With an influx of people to PlayhouseSquare, surrounding businesses are also benefiting.

Executives who manage not-for-profit organizations and their volunteer governing board are more savvy and seasoned business people. They are prepared to pursue opportunities when they identify the benefits of a potential merger or collaboration. It is often the best strategic path to preserve the services organizations deliver to the community. The end result can be that new, stronger, more vibrant organizations have been formed with a better chance of serving the community's needs for the long term.

Susan D. Krantz, CPA is the Partner in charge of the Accounting and Auditing Services Department at Zinner & Co.LLP and the Firm's Not-for-Profit Services Group Leader. Reach her at (216) 831-0733 or skrantz@zinnerco.com.