

Partnerships between not-for-profit organizations and business:

Challenges and opportunities

Tessa Hebb and Roopal Thaker

Table of Contents

1.0 Executive summary.....	1
1.1 Methodology and data collection	1
1.2 Findings.....	1
1.2.1 Setting up partnerships	1
1.2.2 Managing partnerships.....	1
1.2.3 Partnership results.....	2
1.3 Facilitating successful partnerships.....	2
1.3.1. Effectiveness.....	2
1.3.2 Promising practices.....	2
1.4 Implications	3
1.4.1 Implications for NFPs and business	3
1.4.2 Implications for the role of government	3
1.5 Next steps	3
2.0 Introduction.....	4
3.0 Background.....	5
3.1 Research objective.....	5
3.2 Methodology	5
3.2.1 Survey instrument	5
3.2.2 Random sample	6
3.2.3 Data collection.....	6
3.3 Results	6
4.0 Setting up partnerships	7
4.1 Key motivations	8
4.2 Identifying and establishing partnerships	9
4.2.1 Types of partnership.....	10
4.2.2 Selection criteria.....	10
4.2.3 Initiating partnerships	11
4.3 Partnership arrangements.....	11
5.0 Managing partnerships.....	12
5.1 Investing in the partnership	12

Partnerships between not-for-profit organizations and business: Challenges and opportunities
Carleton Centre for Community Innovation

5.2 Facing resistance	13
5.3 Enhancing mutual understanding and innovation	14
5.4 Leveraging resources	15
5.5 Power dynamics.....	16
5.6 Staff turnover	17
5.7 Tools and resources.....	17
6.0 Partnership results	18
6.1 Setting objectives for the partnership.....	18
6.2 Partnership evaluation	19
6.3 Effects of partnership on vulnerable clients.....	21
6.4 Impact on the NFP partner	22
7.0 Facilitating successful partnerships	24
7.1 Factors that influence effective NFP–business partnerships	24
7.1.1 Establishing relationships	24
7.1.2 Using formal mechanisms	25
7.1.3 Ongoing communication	25
7.1.4 Leveraging success.....	25
7.2 Ingredients of successful NFP–business partnerships.....	26
7.3 Limitations of NFP–business partnerships	26
7.4 The role of government in NFP–business partnerships	28
7.5 Useful tools.....	29
7.6 Promising practices.....	30
8.0. Implications	31
8.1 Implications for the role of government	33
8.2 Limitations of this knowledge-development project	34
8.3 Future knowledge products	34
9.0 Conclusion	34
Appendix I: ESDC knowledge-development project research objectives and questions.....	36
Appendix II: Survey questions	37
Appendix III: About the authors	40
Acknowledgements	41

1.0 Executive summary

This knowledge-development project provides an overview of the **challenges and opportunities that Canadian not-for-profit organizations (NFPs) face when they partner with private sector business entities**. The research was funded by Employment and Social Development Canada (ESDC) and conducted by the Carleton Centre for Community Innovation (3ci).

1.1 Methodology and data collection

To conduct this research, the **Delphi method** was initially used to develop and refine a survey instrument that was then used to gather data through 45 telephone interviews conducted with NFPs across Canada, based on a random sample of 450 organizations. A full 73 per cent of the NFPs surveyed serve vulnerable populations of various types.

1.2 Findings

The **NFPs surveyed were not new to partnerships with private business**. Partnerships **ranged in form** and included sponsorship and granting, event-related support, arrangements for discounted or pro-bono services, employee volunteering, joint program delivery, community engagement, and advertising and promotions for either or both partners.

1.2.1 Setting up partnerships

Survey respondents reported that **strategic fit** was the most frequent selection criteria for corporate sponsors. With the exception of corporate grants and sponsorship arrangements where formal application processes were in place, **almost all of the partnerships were initiated by the NFP**. Most partnerships were governed by a **memorandum of understanding (MOU)** or a contract from the outset.

1.2.2 Managing partnerships

Over the course of their partnership experiences, the NFPs surveyed faced a number of issues that played out as opportunities in some cases and challenges in others. These included:

- **Investing in the partnership**, as significant time and resources were required to set up the partnerships.
- **Facing resistance from external stakeholders** including potential business partners.
- **Enhancing mutual understanding and innovation**, whereby both the NFP and the private sector did not fully understand each other at the outset but were often able to bridge these divisions.
- **Leveraging resources** within and outside the partnership through the involvement of business volunteers, in-kind donations and third parties.
- **Power dynamics** where the NFP felt unequal to its partner because of vulnerability and a lack of reciprocity when the business partner did not deliver per expectations.
- **Staff turnover** at both organizations, causing the partnership to flounder when key contact people left.

1.2.3 Partnership results

In most cases, the NFPs surveyed indicated that their partnerships with business had **met their objectives**. NFPs serving vulnerable populations were overwhelmingly **positive** about the impact of the partnership with business on the clients they served. Clearly diversifying revenue streams and strengthening the financial resources of the NFP through partnership was seen as essential for serving vulnerable populations.

1.3 Facilitating successful partnerships

1.3.1. Effectiveness

Four major themes that lead to effective partnerships were identified:

- 1) Establish a **strong reciprocal trust-based relationship** at the outset of the partnership while keeping the NFP's own needs front and centre.
- 2) Use **formal mechanisms** within the partnership, including **written statements** of the objectives and the deliverables of the partnership drafted and agreed to by both parties.
- 3) Establish **ongoing and clear communication** at the beginning of the partnership with a set of **shared objectives**.
- 4) **Leverage success** both within the partnership and more broadly. There is a **tendency to rely on a single partnership over time** rather than building on the success with that partner and adding new partners.

The most common limitation cited by respondents was that the private sector has different needs from the NFP sector. Many NFPs felt this led to conflicts of interest, misunderstandings and short-term relationships.

1.3.2 Promising practices

- 1) **Approaching partnerships strategically.** NFPs are increasingly developing business cases for partnership that outline specific, diverse benefits for each organization.
- 2) **Being opportunistic.** NFPs are actively approaching potential private partners through a series of mechanisms to create opportunities even where these are not immediately evident.
- 3) **Leveraging success within their partnerships.** NFPs are increasingly understanding and contributing to businesses' needs, using businesses' volunteers and developing champions for the NFP within the business.
- 4) **Shifting towards ongoing partnership arrangements where possible.** The time and resources required to set up new partnerships can be intensive. In some cases the initial partnership morphs into an ongoing relationship or is renewed on a regular basis.
- 5) **Leveraging success with new partners.** Once success is achieved with one partner, that success can be used to attract additional partners to the NFP.
- 6) **Building internal capacity.** Many NFPs are seeking professional staff to handle these partnerships, making them a central priority for the organization rather than something overworked staff members have "on the side of their desk."
- 7) **Establishing stronger networks that include private, public and NFP actors.** As one NFP pointed out, "a clear 'pathway to partnership' may not exist in today's networked and webbed world." NFPs are increasingly maintaining and leveraging relationships to forge connections to business partners.

- 8) **Using formal mechanisms.** The numbers and types of formal mechanisms used are on the rise. These include MOUs and contracts that clarify roles and responsibilities.
- 9) **Increasing communication between partners.** Over time, increased communication between partners has helped to improve relationships between partners and is often credited as a success factor.
- 10) **Formal results measurement.** A final promising practice is the use of formal evaluations to measure the results of the partnership.

1.4 Implications

1.4.1 Implications for NFPs and business

The primary motivation for NFPs seeking to partner with business is financial. Given their dependence on external financial resources to deliver programs, NFPs are also concerned if the vulnerable population they serve is not “popular” with business. A key driver here is helping the NFP and business find “the right fit.” Some NFPs need help in identifying and recruiting potential partners. In many cases, businesses are confused as to why the NFP is seeking additional financial support. They erroneously assume that all of the NFP’s costs are funded by government. This is particularly true for organizations that serve vulnerable populations. ***There is a need for government to advocate for partnerships as a way to serve the needs of both the NFP sector and those of business.*** As long as the number of businesses willing to partner with NFPs remains small, competition for scarce resources will be a reality for the sector. ***Increasing the number of businesses engaged with NFPs will require some incentives that clearly demonstrate “what’s in it for them” for the business community.***

1.4.2 Implications for the role of government

The **need to incentivize business** to take on NFP partnerships was identified by the majority of respondents as the key role for government in NFP–business partnerships. However, 22 per cent of those interviewed felt government should either not be involved in partnerships or only be involved in an advocacy role. This view reflects the growing self-reliance within the sector.

A key role identified for Employment and Social Development Canada is to provide a match-making service between NFPs and business. Providing an information portal that offers online tools and resources is another role ESDC could play to facilitate partnerships. An additional aspect for both federal and provincial governments is to address any **systemic disincentives** that discourage NFPs from partnering with business. An obvious example of such disincentives is a claw-back of funds by a government funding agency when additional funds are generated through a business partner.

1.5 Next steps

The research is primarily limited by its **small sample size** of 45 NFPs across Canada. It was not possible to draw any conclusions based on either geographic or sector analysis, as each of these segments was too small within the total sample. To address these limitations, further research could be undertaken using a much larger representative sample to generate greater insight into regional and sectoral differences in the NFPs’ approaches to partnerships with business.

2.0 Introduction

The not-for-profit sector is a vital component of the Canadian economy, dedicated to serving the needs of communities and particularly the most vulnerable groups in society. In the face of increased financial pressure, the sector is gradually moving away from a reliance on government sources of funding toward a more diversified revenue model. There is a growing recognition that governments alone do not have sufficient resources to address all of the social issues faced by Canadians. Although hospitals and universities are primarily funded by government sources, the core not-for-profit organization (NFP) sector has moved to earned revenue as its primary source of funding. Statistics Canada's Satellite Account of Nonprofit Institutions and Volunteering (2009) indicates that for the core NFP sector, the sale of goods and services accounts for 45.6 per cent of total income; government funding accounts for 19.7 per cent; membership fees, 15.9 per cent; donations from households, 12 per cent; and investment income, 4.9 per cent.¹

Some aspects of this shift to earned revenue have recently received considerable academic, government and practitioner attention. **However, the role of partnerships between NFPs and private sector organizations has not been adequately understood as a way to strengthen the delivery of services to communities and vulnerable populations.** Imagine Canada's Business Contributions to Community studies have provided useful information on how the private sector views its engagement with NFPs, but currently there is limited knowledge of the barriers, opportunities and best practices from the perspective of NFPs that are engaged in active partnerships with private sector organizations.

This knowledge-development project provides insight into new and emerging promising practices from the perspective of NFPs when they partner with business. It uses qualitative methods and a small random sample of 45 NFPs from across Canada to explore this topic. It draws on extensive interviews with these NFPs on the challenges, opportunities and lessons learned from such partnerships.

NFPs face a number of key challenges when they partner with business. In particular, finding the "right fit" between the NFP and the business partner is critical for many organizations. In addition, NFPs need to foster a climate of mutual respect when partnerships are established, particularly when there may be a considerable size and resource differential between the two entities. While it is important to be mindful of the challenges NFPs face in developing private sector partnerships, such relationships can provide considerable opportunities. All of the NFPs interviewed through this knowledge-development project felt positively about their partnerships. Many were exploring new ways to engage their partners beyond simple financial sponsorship.

Several **promising new practices** have emerged that will provide a deeper understanding of how to promote and encourage more partnerships between NFPs and the private sector in the future. Many interviewees provided insights for policy-makers on the role of government in enabling such partnerships to grow and flourish. This knowledge will help the NFP sector gain a deeper understanding of how to partner with business as it seeks new ways to achieve self-sufficiency and sustainability. It will also provide greater insight for policy-

¹ Statistics Canada, Satellite Account of Nonprofit Institutions and Volunteering, 2009. <http://www5.statcan.gc.ca/olc-cel/olc.action?lang=en&ObjId=13-015-X&ObjType=2>. Accessed May 14, 2014.

makers into how to encourage and foster such partnerships going forward. Stronger, more stable NFPs with a diverse revenue base will help this sector to deliver much-needed services to all Canadians.

3.0 Background

3.1 Research objective

The objective of this knowledge-development project is to provide an overview of the **challenges and opportunities that Canadian not-for-profit organizations (NFPs) face when they partner with private business entities**. In addition, the report identifies tools and resources that NFPs could use to facilitate successful partnerships with business. Finally, the report suggests some ways that the federal government and other actors can assist NFPs with their partnerships with business for the benefit of their organizations, their clients and ultimately Canadian communities.

3.2 Methodology

3.2.1 Survey instrument

To conduct this research, the **Delphi method** was initially used to develop and refine a survey instrument that would best capture the responses to the questions Employment and Social Development Canada wished to explore through this knowledge-development project.² An Expert Panel was established through contact with 31 NFPs from across the country. These NFPs were selected based on their knowledge of the field and the sector, geographic location, type of service provided and connection to a wide range of networks. They worked with Aboriginal populations, children and youth, education and skill development issues, food and food security, physical and mental health, housing and homelessness, innovation and business incubation, impact investing, sector capacity building, social enterprise and social finance. Sixteen of them directly served vulnerable populations.

Of the 31 NFPs approached to join the Expert Panel, 11 were available to participate in two rounds of questions about the survey instrument. These organizations were located in Whitehorse, Saskatoon, St. John's, Ottawa, Vancouver, Toronto, London, Ont., Victoriaville, Que. and Regina. Of these groups, four directly served vulnerable populations and eight worked on sector capacity-building initiatives in their geographical region. During the first Delphi round, the Expert Panel members were given a draft survey to review. They then participated in an hour-long telephone interview to discuss their comments and edits to the draft survey. A revised consensus survey instrument was then distributed to the Expert Panel. Members were asked if they agreed with the consensus. Follow-up reactions and additional comments were captured via email exchange. These results were then captured in a final survey instrument that was rolled out to a larger random sample of NFPs across the country.

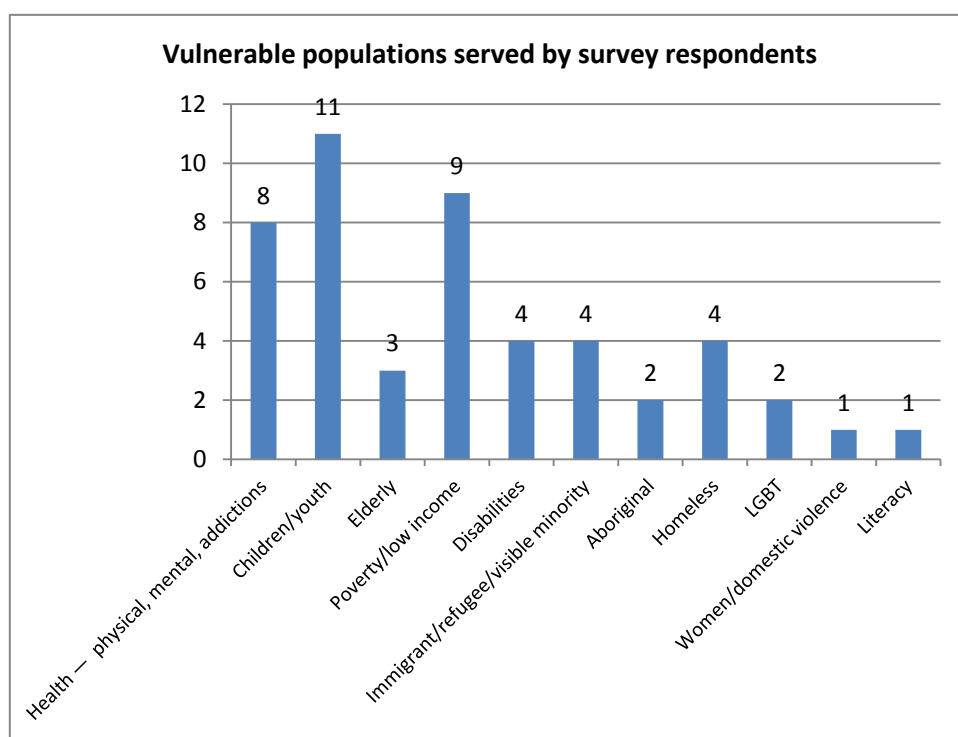
² See Appendix 1 for the research questions posed by Employment and Social Development Canada in its Request for Proposals for this knowledge-development project.

3.2.2 Random sample

The Carleton Centre for Community Innovation (3ci) has developed a database of over 3,000 NFPs and charities in Canada, from which a random sample of 450 NFPs was drawn from across the country. Three interviewers were trained in how to undertake interviews, confidentiality requirements, note taking and interview synthesis. Each of the three interviewers was given the names of 150 NFPs to contact for interviews. Each interviewer was able to complete 15 telephone interviews with NFPs that had partnered with business, for a total of 45 interviews.

3.2.3 Data collection

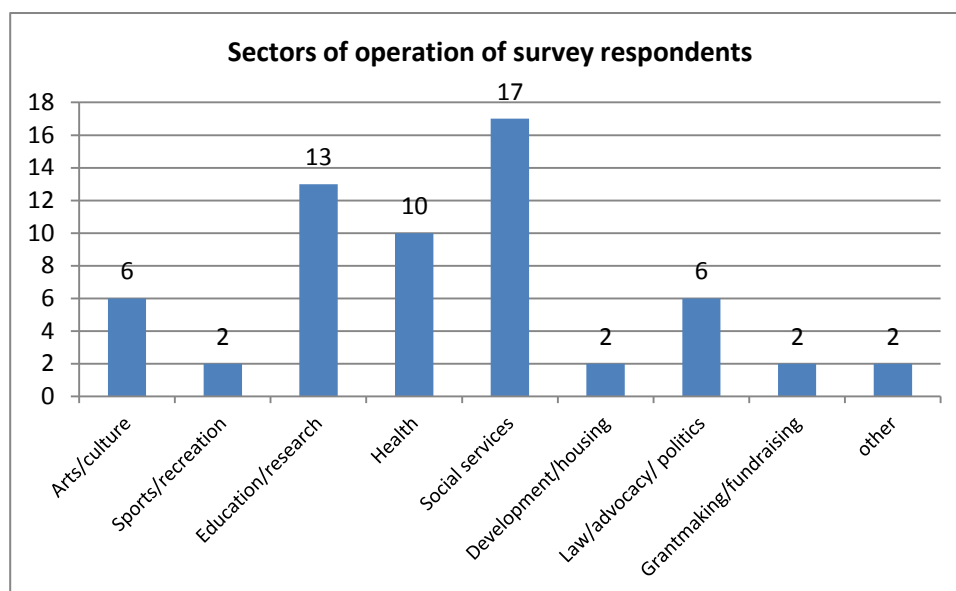
Each interview was approximately one hour long and conducted by telephone in English. A bilingual interviewer was available for any organizations that preferred to respond to interview questions in French. Extensive notes were taken during the interview and transcribed after the call. Interviewees were assured of the confidentiality of their responses, and each participant signed a consent form for the interview. Individual interview notes and consent forms are on file at 3ci and will be securely stored for seven years.



Interviewees were first asked if they had previously partnered or attempted to partner with business. If they had not, the interviewer thanked them for their time and closed the interview.

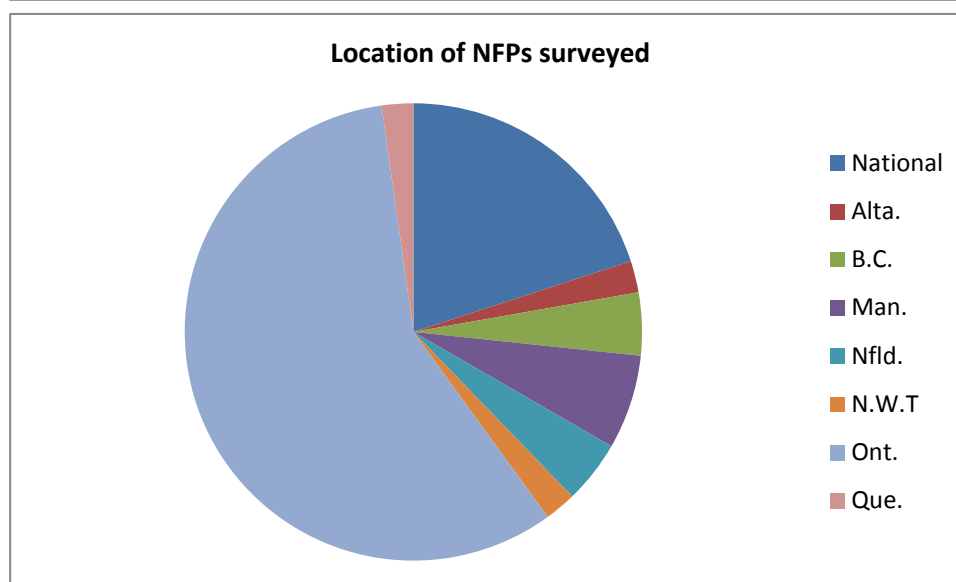
3.3 Results

In total, **45 interviews** were completed between March 5 and March 31, 2014. Eleven interviews were with small organizations with 0 to 4 employees, of which 8 served vulnerable populations. Twenty-two interviews were with mid-sized NFPs of 5 to 49 employees, with 15 serving vulnerable populations. Twelve interviews were conducted with large NFPs with a staff of over 50 employees, of which 10 served vulnerable populations. A full 73 per cent of the NFPs surveyed serve vulnerable populations of various types, including a third of the



organizations that operated at the national level.³ The survey did not define the term “vulnerable population” but instead asked respondents to identify what they considered to be the vulnerable segments of their client group, where applicable.

These NFPs represented a wide variety of sectors and were drawn from across the country. The majority of organizations interviewed were based in Ontario. National organizations are shown separately, as these tend to be located in Ottawa or Toronto but do not have a specific geographic focus.



The survey deliberately did not define the term “partnership” in order to capture the full range of experiences shared by the

respondents. More details on the types of partnership experiences are provided in section 4.2.1 below.

4.0 Setting up partnerships

The NFPs interviewed described a **range of experiences** in establishing their partnerships with business. Survey data revealed that while the primary driver of the partnership tended to be financial, a number of secondary motivations also influenced the decision to work closely with business. Along with these underlying factors, preferences about the overall strategic fit, the reputation of the business in the community and the sector of activity influenced the NFP’s choice of corporate partner. Partnerships varied greatly in type and number and

³ Survey respondents were invited to give more than one response to the questions about their sector of operation and populations served. As a result, the total numbers of responses shown in the charts in this section exceed the number of interview respondents.

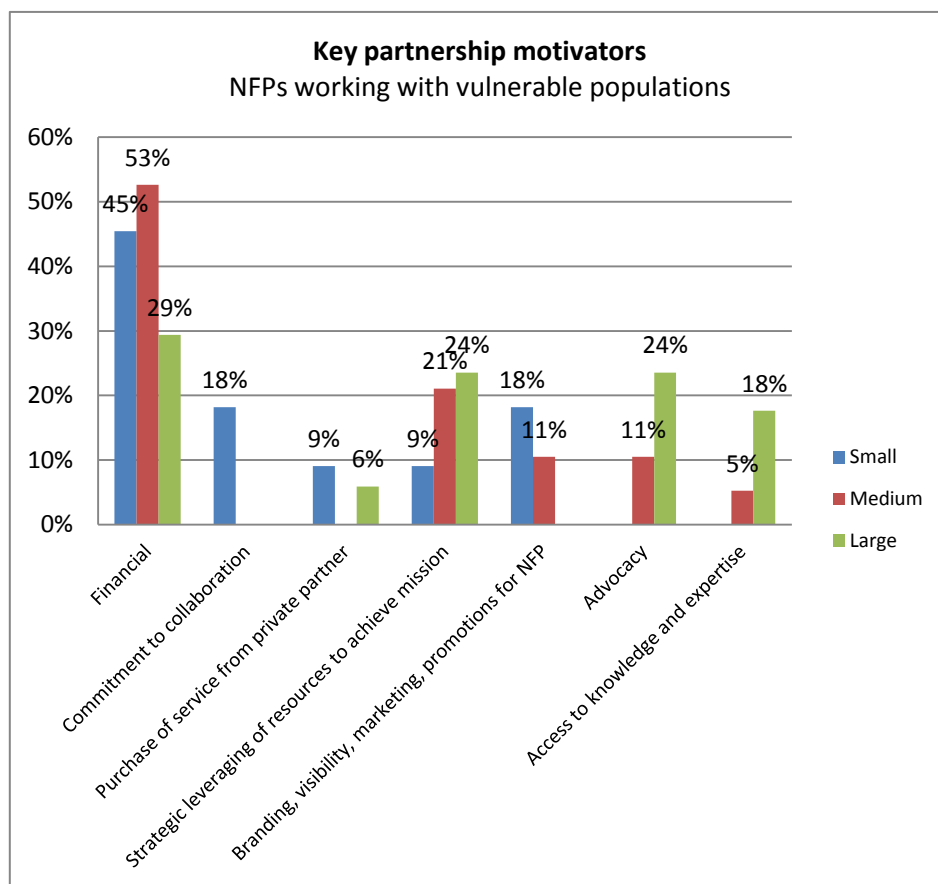
were typically initiated by the NFP. Contractual arrangements also varied, though most partnerships were governed by a memorandum of understanding. These findings are described in more detail below.

4.1 Key motivations

Why do not-for-profit organizations seek partnerships with the private sector? Survey responses indicated a range of reasons including:

- obtaining funding and/or enhancing financial stability
- a philosophical commitment to partnership and collaboration
- purchasing services from the corporate partner at preferable rates or terms
- strategic leveraging of financial and non-financial resources to achieve the NFP's mission
- greater visibility and branding for the NFP;
- achieving of advocacy goals
- enhancing access to knowledge and expertise⁴

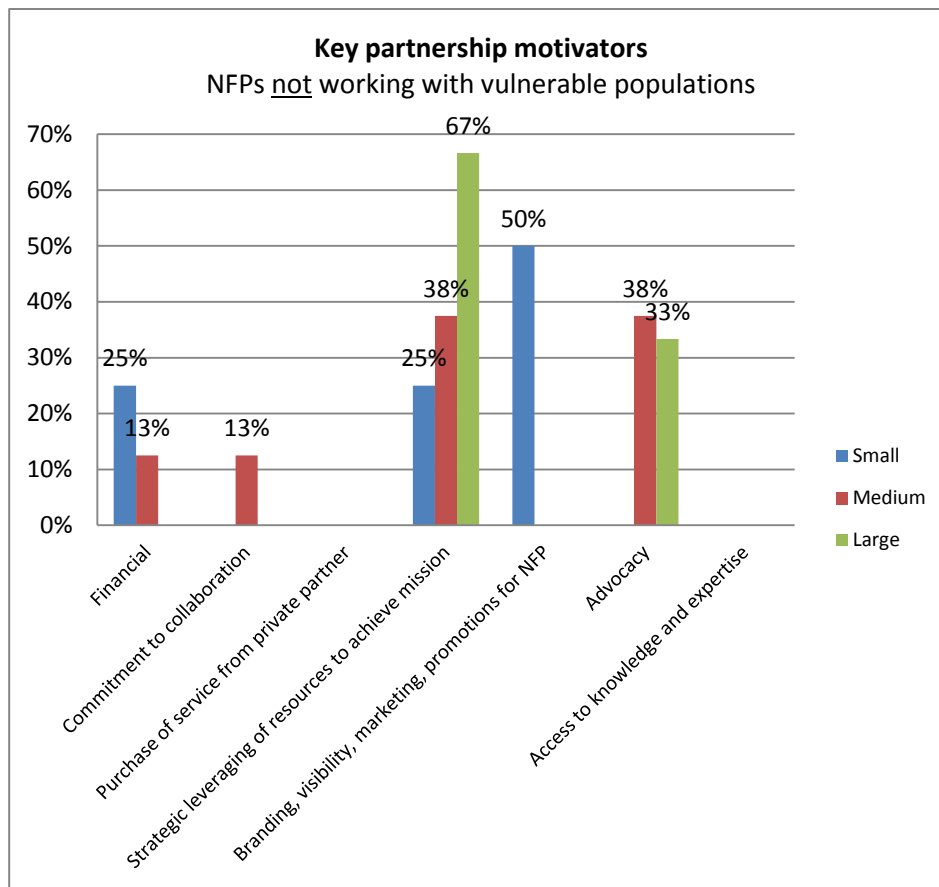
Almost all of the NFPs surveyed spoke of **financial need as their overarching motivation**. Small NFPs working with vulnerable populations described their efforts to supplement any government and program funding they receive with other sources. These NFPs used funds and resources obtained through private



sector partnerships to target under-resourced areas. For example, NFPs bridged core funding gaps where costs such as capital and overhead expenses were not covered by grants. One organization procured much-needed computer equipment through a partnership.

Other small NFPs spoke of their struggles with financial survival in the current competitive funding environment. These organizations also used partnerships to enhance their visibility and branding within the community.

⁴ Survey respondents were invited to give more than one response to the question on motivation. The charts in this section show the frequency of these responses as percentages of the overall number of responses.



Medium-sized NFPs, particularly those working with vulnerable populations, also referred to the financial drivers behind partnership. However, many of these NFPs considered partnerships as one way to achieve greater financial stability through diversifying their funding sources and limiting their reliance on any single source of revenue. There was relatively less emphasis on survival-related issues or addressing large gaps in funding, and greater focus on organizational stability and sustainability. One respondent specifically noted, “I am motivated to seek out

partnerships because I do not like to rely on one funder or partner for finances.”

Large NFPs had more varied responses. They used partnerships to better achieve their mission through leveraging resources, accessing expertise and using the partnership for advocacy purposes. Financial motivations were more prevalent for large NFPs working with vulnerable groups, while other large NFPs approached partnerships from a more strategic perspective. One large NFP said, “We’re motivated by the fact that the private sector has competencies and assets to bring to the table whether knowledge, money, etc. That’s invaluable when we’re working in a space where there’s not enough money to go around to support community. We have to think about resources creatively. We think innovation lies in those kinds of relationships.”

In general, NFPs working with vulnerable populations placed more emphasis on the financial drivers of the partnership, while the other NFPs surveyed spoke of a wider range of motivating factors. In addition, small NFPs mainly engaged in partnerships out of need, while medium-sized and large NFPs approached partnerships more opportunistically. As one respondent from a medium-sized NFP noted, “I will advance my social mission with anything — including new opportunities that arrive.” No regional or sectoral trends were evident.

4.2 Identifying and establishing partnerships

The NFPs surveyed were not new to partnerships with private business. About half of the small NFPs had been involved in 2 to 5 partnerships over the past five years, while the other half had undertaken 10 to 15 of

Partnerships between not-for-profit organizations and business: Challenges and opportunities

Carleton Centre for Community Innovation

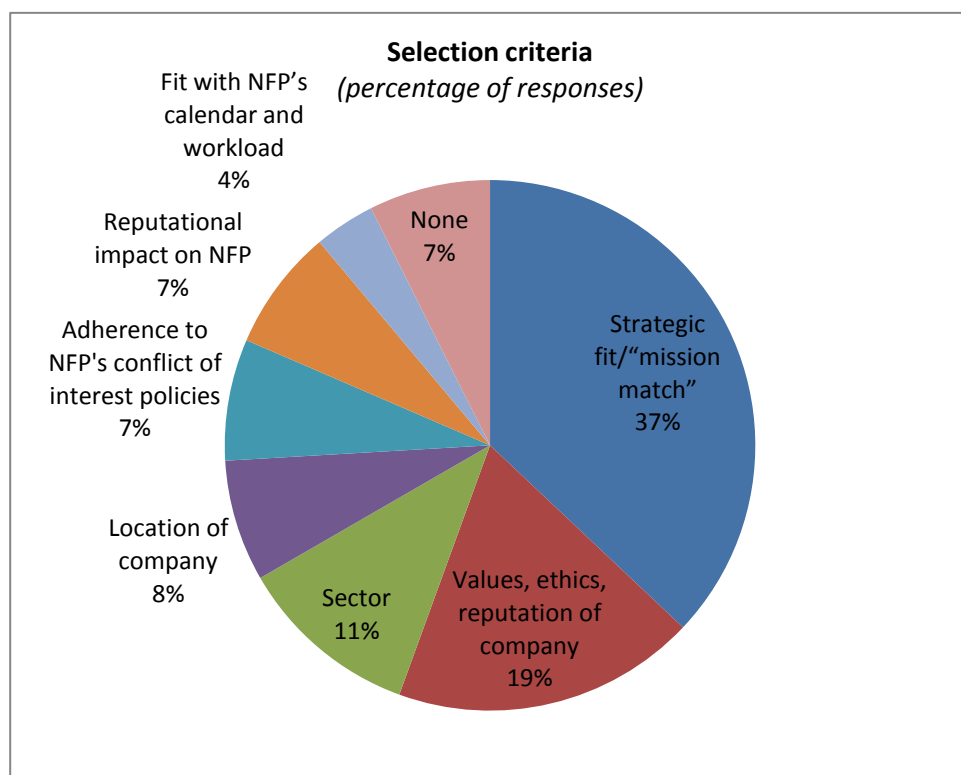
these collaborations. One organization reported a long-term 25-year relationship that was likely to wind down within the next five years. Medium-sized NFPs had a more even distribution of experience, with some groups having about 100 partnerships. Large NFPs frequently had been in 100 or more partnerships.

4.2.1 Types of partnership

Partnerships ranged in form and included sponsorship and granting, event-related support, arrangements for discounted or pro-bono services, employee volunteering, joint program delivery, community engagement, and advertising and promotions for either or both partners. “Companies use our venues so that they can promote their business, and we also give them advertising space in our magazines/publications,” noted one respondent from a small NFP. There was some variation by sector, with advocacy groups more likely to promote the corporate partner’s products and services and facilitate connections with government decision-makers. Most of these partnerships were program specific and time limited in nature, though a small number were renewed on a regular basis. Ongoing partnerships were more common with small businesses where owners or professionals volunteered their time and services.

4.2.2 Selection criteria

Survey respondents reported that **strategic fit** was the most frequent selection criteria for corporate sponsors. “When we talk about philanthropy, it’s the space that brings the public and private sector together to develop innovative solutions to wicked problems. We are always looking to engage,” noted one medium-sized NFP. The benefits for both sides were considered as part of this process. “Will the company feel satisfied with the exposure? It needs to be a win-win situation showing the potential impacts of their investment and demonstrating that impact. You need to make them feel important,” argued one respondent.



The values and reputation of the company were also important, with NFPs wanting to work with companies that had positive histories of supporting their communities. Advocacy NFPs looked for corporations within their sector. Several NFPs, particularly those working with vulnerable populations, firmly indicated that they would not work with corporations from sectors such as tobacco and alcohol.

Corporate partners tended to operate in the same sector and geography as the NFP, with local businesses more likely to partner with small and medium-sized NFPs. Large financial and banking corporations engaged with these NFPs through sponsorship initiatives managed by their local offices. National NFPs partnered more frequently with national corporations, though in some cases the NFP had to ensure that it did not reduce opportunities for its local and regional branches to partner with the same corporation at the community level. In some cases, financial partnerships opened up corollary opportunities for deeper engagement through expertise sharing, employee volunteering and pro-bono service or space provision.

4.2.3 Initiating partnerships

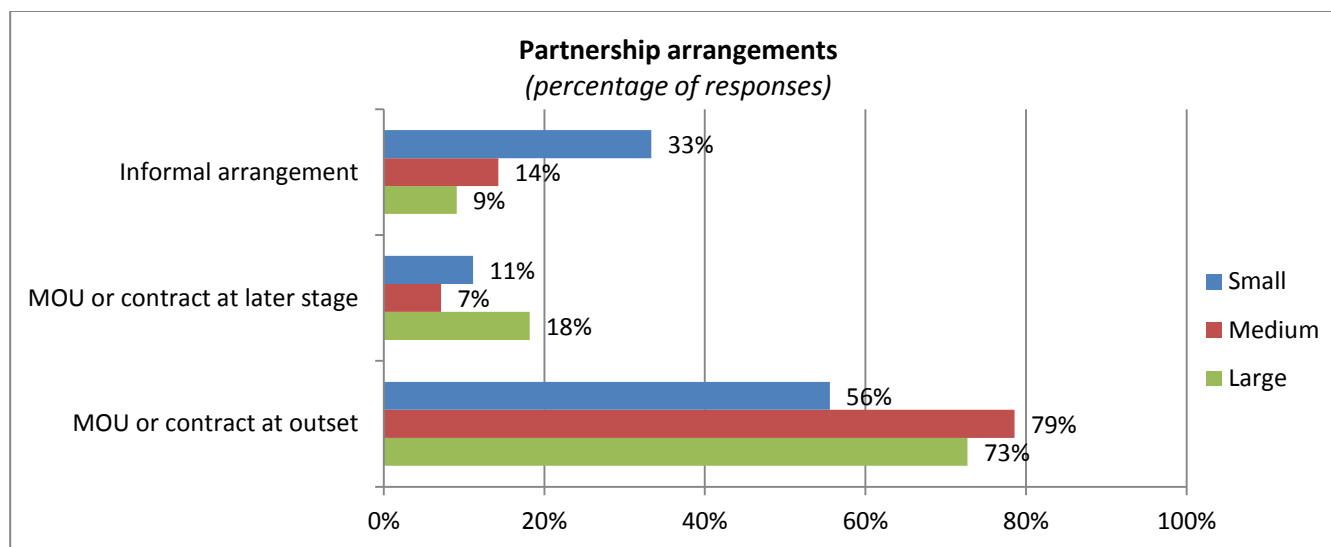
With the exception of corporate grants or sponsorship arrangements where formal application processes were in place, **almost all of the partnerships were initiated by the NFP**. Existing relationships and networks played a key role, with several NFPs leveraging family connections or close friendships to access high-level corporate decision-makers. “People whom we have worked with before in our prior careers are now within the... companies that we work with,” reported an advocacy NFP. Another noted that the private organization was part of its existing network, with regular information exchanges taking place as both future partners attended similar professional conferences. A small number of respondents (two) indicated that they had successfully used cold-calling. While no regional trends were notable, NFPs in smaller communities benefited from tighter networks and closer connections to business. Very few NFPs were approached by business, although in one case the NFP was approached by additional corporate sponsors as a result of publicity around its existing partnership. Another received pro-bono services from various small enterprises after a local newspaper article profiled its activities and areas of need.

4.3 Partnership arrangements

Most partnerships (68 per cent of survey responses) were governed by a **memorandum of understanding (MOU)** or a contract from the outset. A further 10 per cent established a formal contract at a later stage. The remaining respondents spoke of more informal arrangements. One small NFP noted, “we do not have the capacity to devote resources to monitor and measure the effect of the partnership or keep track of contractual obligations.” The chart below shows the breakdown by size of NFP.

However, 31 per cent of survey respondents also reported that the partnership arrangements changed over time. In some cases, documentation became more formal as the partnership matured or was renewed. A large NFP noted that the partnership arrangement “has changed somewhat, but it was always a negotiated change — we know each other better, and all parties want to benefit from the relationship.”

These results were consistent for NFPs working with vulnerable populations and for NFPs in different regions of the country.



5.0 Managing partnerships

Over the course of their partnership experiences, the NFPs surveyed faced a number of issues that played out as opportunities in some cases and challenges in others. These included:

- Investing in the partnership, as significant time and resources were required to set up the partnerships.
- Facing resistance from external stakeholders including potential business partners.
- Enhancing mutual understanding and innovation, whereby both the NFP and the private sector did not fully understand each other at the outset but were often able to bridge these divisions for the benefit of both partners as well as clients.
- Leveraging resources within and outside the partnership through the involvement of business volunteers, in-kind donations and third parties.
- Power dynamics where the NFP felt unequal to its partner because of perceptions about the importance of its activities, vulnerability to higher-level decision-making by the business that affected the partnership, and a lack of reciprocity when the business partner did not deliver per expectations.
- Staff turnover at both organizations, causing the partnership to flounder when key contact people left. In a few cases, NFP staff were poached by the partner organization.

In some cases, the experiences of the interviewees varied by the size of the NFP and its sector. These issues are described in more detail below.

5.1 Investing in the partnership

The time and resources required by the partnership placed a **heavy burden** on many NFPs. Management involvement, staff resources and funding for professional services such as lawyers and accountants were all required to solicit, establish and implement the arrangement. This placed a disproportionate burden on the smaller and medium-sized NFPs surveyed compared with their larger counterparts. Some simply did not have the capacity to partner as they would have liked.

Respondents highlighted the intensive networking and relationship building that NFP upper management had to engage in at the outset. “It rips your soul out, and is tough to do,” reported a medium-sized NFP working with at-risk youth. The respondent highlighted the low success rate, noting that 30 meetings with prospective sponsors may result in only three warm leads and even fewer successful partnerships. This “gut-wrenching” process would then have to be repeated once the partnership arrangements came to an end. Another organization noted that although prospective partners may indicate a strong interest in working with the NFP, the arrangement may ultimately not work out despite all the effort put into the discussions and negotiations. The one NFP that did not successfully establish a partnership noted that the amount of work and time required to set up the relationship was much larger than expected and potentially prohibitive. This organization found corporate procedures to be overly intimidating considering its own size and level of sophistication.

Large NFPs tended to be better resourced to undertake this initial work. A health sector organization spoke of its “partnership specialists” who assessed corporations’ level of engagement in the community. Businesses deemed to have too many existing partnerships were avoided because they would likely not have the capacity to work with the NFP on its initiatives. The respondent emphasized the importance of finding champions and establishing deeper partnerships through an involved multi-step process. Staff from prospective private sector partners were then approached about the NFP’s mission and mandate. The NFP eventually worked its way up to higher levels within the organization to establish a formal relationship.

NFPs struggled to balance their program and service activities with the need for partnerships and funding. Reporting and compliance requirements were deemed to be easier than those of government, but stressful nevertheless.

5.2 Facing resistance

NFP staff and board members strongly supported partnerships with business. In particular, many of the NFPs surveyed reported that their board members worked actively to help initiate and secure partnerships. A small NFP noted that both its staff and its board understood the importance of partnerships in helping the organization extend its reach and reduce its reliance on government funding sources. Partnerships could help secure the organization’s future through more stable, long-term funding.

Only three respondents noted that they faced internal resistance from staff, board members or members when setting up their partnerships. One NFP indicated that some of its members misunderstood the aim of the partnership, feeling that the NFP was demonstrating favouritism towards certain products or companies. Another reported that staff sometimes expressed concern that the partner’s focus on its business mandate may affect the NFP. A small NFP noted that this resistance “has required a great deal of caution, selectivity and confidentiality about potential partnerships. There is a great deal of potential for conflict between our organization’s mandate and the activities of private organizations.” One respondent from a small community highlighted that resistance no longer arose once staff became comfortable with donors and partners and trust was established through regular contact between staff, clients and corporate partners.

Four respondents reported some external resistance from the private partner due to a lack of interest in the partnership opportunity or an unclear understanding of the NFP’s motivations. “External resistance comes in

the form of confusion, asking ‘why we do not receive our funding from the government?’ We do, but the funding is used for infrastructure and research, and potential partners/donors are surprised to hear that,” noted a medium-sized NFP in the health-care sector. Some respondents referred to the “ruffled feathers” of other NFPs as their partnership was perceived as increased competition for funding and a break with the tradition of predominantly working with government grants. A small NFP felt that rather than facing external resistance, it faced external pressure to get more involved with private sector organizations.

External resistance varied by sector. One large health sector NFP reported that the issues it worked on were generally recognized as an area of public need, reducing the need to explain their importance to prospective partners. In contrast, a large arts sector organization noted that corporations were cautious and often hesitant to engage given the lack of partnerships in this sector. An NFP that worked with vulnerable immigrants highlighted that stereotypical attitudes were sometimes hard to breach and presented a barrier to corporate engagement. A group working with people affected by AIDS and HIV made a similar point about social stigma making it difficult to approach new partners.

Resistance did not occur only at the outset of the partnership. One NFP reported that an existing partner withdrew from the joint initiative because it no longer wanted to support the vulnerable population that the NFP worked with.

5.3 Enhancing mutual understanding and innovation

Many respondents described the challenges and benefits of cross-sector relationships. The lack of **mutual understanding** was a frequent barrier to effective collaboration. “There are more than a few private sector organizations who don’t know how the charitable sector works, and there’s mythology around that,” noted a small NFP. Through the partnership, corporations and NFPs learned about each other’s target populations, organizational capacities and models of service. A medium-sized NFP described how major national corporate days of giving completely overwhelmed the groups it was trying to support. “These are organizations that are trying to manage on small budgets, small resources without long-term funding to do good work in the community, and then someone throws 20,000 volunteers at them and they have to find meaningful productive work... so we try to teach the corporation that instead of putting 25 people to work on cleaning up the park, maybe the people could bring their skills instead.” Another NFP highlighted the rural-urban divide between its community-based activities and the perspectives of potential big-city corporations.

Successful partnership relationships generated trust between the organizations, enabling more honest discussions about their work. A large NFP noted that “it is a big learning curve; the fact that you believe in your cause does not mean that other people will.” The respondent further commented that through good communication, many of its partners had provided the NFP with an opportunity to learn how to partner more effectively. Another organization stated that the partnership was suspended temporarily after a serious public communications issue arose, but that frank communication enabled it to be renewed later.

As relationships matured, the partners learned to adapt their projects and create greater mutual benefit. One NFP realized that the in-person training initiatives being delivered jointly with the corporate partner were too resource intensive but could easily be shifted to an online platform. This resulted in better impact for both

partners while reducing the burden on the NFP. A medium-sized organization described its efforts to spark socially innovative products and initiatives with its partners in order to better meet community needs, such as working with banks to develop community bonds.

NFPs also learned how to create better strategic fit with the private partner. “Finally we understand what the business sector is looking for. The focus is now on employee retention and is moving away from giving — to much more integrated and strategic involvement,” reported a medium-sized NFP. Another organization pointed out that collaboration is often an intrinsically core component of the NFP’s approach, but that this is not necessarily important to the private sector. A large NFP felt that while it previously came across as merely looking for donations, over time it had learned about the components behind effective corporate engagement. It was better able to propose strong partnership arrangements that established clear expectations and leveraged the skills and interests of both sides. Another NFP noted that “at the end of the day... our organization is secondary — it is not their primary business, it is ours. It is about respecting their primary objectives (in terms of operating their business) and being astute in giving what they need from us.”

Not every partnership achieved the desired level of depth. A medium-sized NFP noted that some partners chose to remain at arm’s-length while others became ambassadors for the organization.

5.4 Leveraging resources

Partnerships often generated **additional opportunities** within and outside the relationship. “The cooperation that came out of the funding arrangement is in many ways far more valuable than the actual funding,” reported a small NFP that spoke of the increased inter-office collaboration and stronger working relationships facilitated by the partnership. In this case, the positive, constructive nature of the relationship allowed for additional collaboration beyond the formal funding relationship. Another NFP described how the acquisition of its private sector partner by a larger corporation resulted in even greater engagement.

Private sector partners often expanded their involvement by providing NFPs with unforeseen resources through in-kind donations, employee volunteering and pro-bono service provision. A health sector NFP noted that some non-financial donations were not appropriate for the client population because of health protocols, but that these were not difficult to manage. In one case, the partnership enabled a small vulnerable sector NFP to survive and avoid shutting down.

Some private sector partners facilitated opportunities with third parties. Groups working with media and promotions companies gained significant exposure through their partners’ communications networks, raising awareness of their work and attracting additional partnerships. NFPs spoke of their growing presence on radio and television. One organization gained a long-term partner and the donation of pro-bono services from several businesses after it was profiled in a major newspaper. Several others gained a “seat at the table” at policy-level events and discussions concerning their sector of expertise.

Two small NFPs working with vulnerable populations indicated that significant business partners were invited to join their boards of directors. This cross-pollination resulted in stronger long-term relationships and ongoing involvement. However, the change in the makeup of the board resulted in a focus away from the grassroots

origins of the NFP and presented a different set of long-term effects than previously anticipated. In particular, one NFP with large media representation on its board found itself having to prepare formal agreements for board members as a result of mergers and acquisitions in the communications sector.

5.5 Power dynamics

Many NFPs reported that they were **unevenly matched** with their partners when it came to the underlying relationship. The power dynamics were difficult to manage and often resulted in NFPs finding it hard to achieve their objectives and desired outcomes.

A medium-sized NFP highlighted the importance of perception, noting that “the number-one way that a partnership erodes quickly is where the for-profit sees the non-profit as a charity case.” This paradigm immediately put the business partner into a position of perceived benevolence and the NFP into one of vulnerability, resulting in a weak foundation for a relationship. “As soon as things got tough, the corporation’s generosity meant that the NFP was a nice-to-have but not a need-to-have.” Indeed, another NFP noted that it preferred to enter into partnerships with a strong sense of its own value and a clear business proposition for the firm. Other NFPs used intermediaries or portals to help neutralize the power imbalance.

In some cases, business partners reduced their level of support and increased the restrictions on the use of their resources. NFPs found themselves shifting towards positions of even greater weakness as the funding environment became more competitive. Despite their efforts to diversify their funding sources, these organizations found themselves at greater risk of losing program and core operating monies. A small environmental sector NFP noted that provincial funding had all but dried up for its sector, resulting in a greater need for corporate funding and support and allowing private sector partners to dictate the terms of the relationship. In addition, priorities for community engagement were always at risk of shifting based on decisions made by the corporation’s head office. “The commitment isn’t guaranteed,” noted one NFP, while another tried to keep options for future partnerships open by maintaining a strong relationship with the firm.

Several NFPs spoke of a lack of reciprocity whereby the corporate partner did not adhere to its responsibilities or time frames. Examples ranged from promotions and exposure whereby the partnership initiative was prominently located on the NFP’s website but difficult to find on the corporate page; to missed deadlines as the business put other priorities ahead of the partnership; to an insistence that projects be implemented a certain way despite the NFP’s expertise. “You have to prioritize what the company wants instead of focusing on the mission,” stated a medium-sized NFP. A small NFP noted that it was forced to “let it slide. We are a ‘broke charity’ — we were grateful they came forward.”

The importance of setting realistic expectations and the reputational effects of failure were emphasized by many respondents. A medium-sized NFP noted that organizations of its size cannot always live up to the expectations set by national organizations. This may not be well understood by the private partner. A large organization warned that NFPs often over-promise and under-deliver.

The power dynamics between NFPs and other funders or regulatory bodies also became significant in the context of the partnership. One NFP worked hard to set up financial and programmatic partnerships but ended

up cancelling these initiatives prematurely because government would not permit their implementation. The organization felt that despite its contractual obligations with the provincial and federal governments to achieve certain program outcomes, these levels of government prevented it from achieving these objectives and compromised its financial stability in the process. Barriers included stricter control over how the organization ran its activities, as well as the claw-back of funds equal to the financial resources received through partnerships. The NFP noted that this approach went against the principles of the underlying legislation, which emphasized community integration.

5.6 Staff turnover

NFPs reported two key issues with staff turnover: the **impact on the partnership** and the effect on the NFP's **human resources**. Respondents noted that their relationship with the private sector partner was often deeply affected if the point of contact left the company or changed roles. "It is the re-establishing of those relationships that is really tricky. It is almost like creating a new partner," stated one NFP. Changes in personnel resulted in modifications to the content of the partnership, the level of commitment of the firm and the day-to-day interactions between the two entities. Some NFPs addressed these issues by ensuring that multiple individual relationships were created between both organizations. A large organization noted that new relationships sometimes brought opportunities, such as a CEO with a passion for the partnership.

A number of NFPs spoke about the loss of staff to the private sector partner as its employees were recruited by the firm.

5.7 Tools and resources

Over the course of their partnerships, the NFPs surveyed **developed a variety of resources, tools and other supports** that helped them to address the opportunities and challenges described above. These included:

- letters of invitation and solicitation
- brochures outlining the value added from the partnership
- videos and social media tools about the NFP and its activities
- presentations and workshops
- information on past projects
- networks and databases of potential partners
- standardized scripts and processes
- templates for regular liaison through bulletins and newsletters
- policies pertaining to partnerships
- contract documents or partnership agreement templates
- volunteer consulting and coaching from fundraising mentors

Many respondents had obtained templates from other NFPs or sectoral organizations such as the Ontario Nonprofit Network, Imagine Canada and Volunteer Ottawa. In turn, tools and resources were shared with other NFPs where relevant.

NFPs noted that they would have benefited from the following tools and resources if they had been available during their partnership:

- additional documentation to help engage the NFP's board and volunteers in the partnership process
- skills development training for fundraising and communication with private organizations
- more clarification on the fine line between fundraising and the development of partnerships
- toolkits for approaching angel investors
- organized learning sessions or workshops targeted at small NFPs on approaching and partnering with the private sector, including how to turn an existing commercial relationship into a potential partnership relationship
- tools to help the NFP identify the right people to speak with in the private partner, especially in organizations with large, complicated structures
- an information database infrastructure
- contact lists
- standard templates for introduction letters and other communications
- an "environment scan" to find out the perspectives of local businesses
- intermediaries or facilitators of partnership
- corporate councils or bodies where NFPs could quickly access corporate players in a particular sector
- best practices including case studies
- policy documents
- conflict management and resolution mechanisms for problem-solving
- impact measurement tools
- better knowledge of the technical research needs of NFP staff
- valuation tools and techniques for services and promotions
- digital applications for Android devices and iPhones

One respondent strongly felt that tools and templates were not highly necessary. Rather, this person argued that new leadership and a cultural shift was required in the NFP sector to help transform partnerships beyond traditional funding relationships. Examples of successful, innovative partnerships could help other NFPs re-imagine the types of possible relationships and how to implement them.

6.0 Partnership results

6.1 Setting objectives for the partnership

In most cases, the NFPs surveyed indicated that their partnerships with business had **met their objectives**. In only one case of the 45 surveyed had the partnership failed. In another case, the organization indicated that while the financial objectives were met, the cross-collaborations they had hoped for had not materialized. It appears that financial objectives are easier to execute than non-financial objectives, which require greater formal objective setting "to get everyone on the same page." There was no pattern of location-based differences in response to these questions.

Small organizations tended to be relatively informal in their approach. Those who served vulnerable populations were even more casual in setting objectives with their partners. All seemed to feel it quite normal to shift these objectives as the relationship evolved.

Not surprisingly, mid-sized and large NFPs indicated that they followed a much more formal process in setting objectives for the partnerships. “Usually all objectives are determined from the beginning and outlined well in advance,” was a common response among those surveyed. Many of these organizations drew on business partners for sponsorships and used an MOU as a way to get everyone “on the same page,” though these arrangements often began as casual or exploratory conversations. Several respondents mentioned that a key strength in the objective-setting process is the business’s ability to give a quick yes or no to the partnership depending on how objectives align, a trait that they found to be less evident with government. There were no marked differences between organizations that served vulnerable populations and those that did not.

Interestingly, when asked what the organization would do differently if they were to repeat the partnership with business, most respondents answered that they would place greater emphasis on setting up **formal mechanisms and accountability** within the partnership (i.e., objective setting, contracts, monthly reports, evaluations, impact assessment, professional outputs). Increased communication with partners in order to establish a high level of engagement that could be “taken to the next level” was also highlighted. Additional points raised included gaining a better understanding of businesses’ thinking, aligning priorities, not undervaluing the NFP and, in two cases, “asking for more money.” These responses held across all segments of the survey.

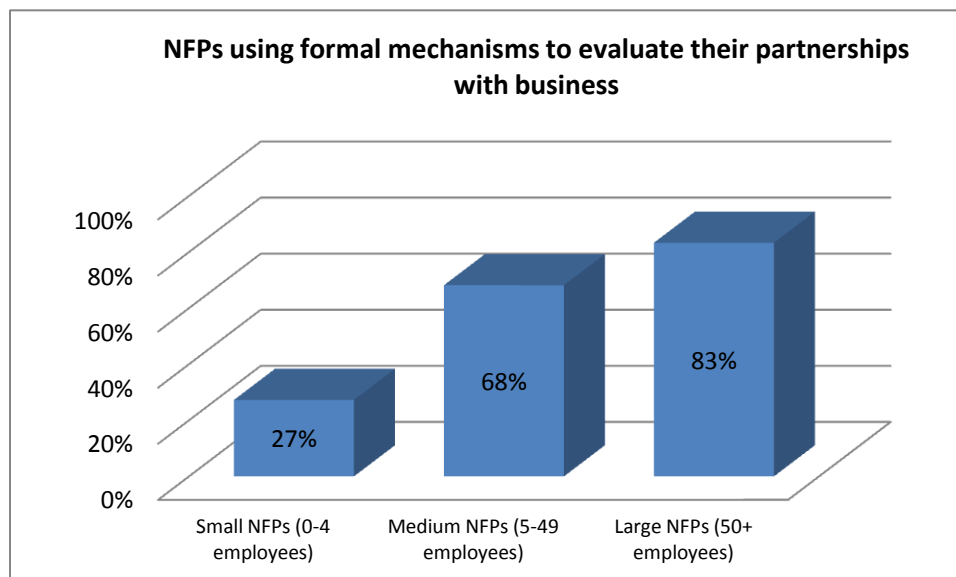
Areas that organizations would not change centered on building and strengthening networks and relationships for the NFP. Most answered this question in terms of relationship-building and ongoing personal interactions: being open to each other’s needs and having realistic expectations.

The final question in this section asked the NFP to elaborate on the partnership as a mechanism to achieve its objectives. Again, almost all of the organizations surveyed indicated that such partnerships with business have helped them achieve their goals. Partnerships often provide a source of funding that allows the NFP to deliver its programs. They also helped the NFPs gain greater public exposure. All respondents who answered this question (26 out of the 45 surveyed) felt strongly that the partnership mechanism helped them to achieve their goals and objectives, regardless of whether they served vulnerable populations or not.

6.2 Partnership evaluation

Although there is an increasing trend toward accountability and evaluation, **most of the small NFPs surveyed did not have a formal process of evaluation** for their partnerships. Only 3 of the 11 small NFPs surveyed (22 per cent) used a formal evaluation of these partnerships on an annual basis. Mixed methods were used, with these 3 reporting back to the businesses on the results of the partnership. Two of the three worked with vulnerable populations. There were no location-specific indicators, as one was based in Newfoundland, one in Ontario and one in Manitoba. The remaining eight small NFPs either had no evaluation (six) or informal evaluation mechanisms (two) including annual discussions with their business partner. When asked if they

would be prepared to share their evaluation mechanism, one small NFP responded, “It’s not even written down, so no.”



In contrast to the small NFPs, **the number of mid-sized NFPs using formal mechanisms to evaluate their partnerships rose to 68 per cent (15 of 22) of those surveyed.** Six of the 15 served non-vulnerable populations, with nine serving vulnerable populations. These groups were located across several regions, with some national and some local organizations. They served a

wide range of sectors including social services, health, education, and arts and culture. Some respondents indicated that this form of evaluation is required by their funders. A mix of qualitative and quantitative methods was used. Interestingly, many of these organizations measured not just outputs but outcomes of the partnerships as well.

Six mid-sized NFPs in the sample used informal mechanisms (one did not answer this question). Similar to the informal mechanisms of the small NFPs, these mechanisms tended to be informal meetings with the businesses to “debrief” on the partnership. All six of these NFPs served vulnerable populations, representing a range of sectors including social services, health, education, and arts and culture. All were based in Ontario.

Almost all the large NFPs surveyed used **formal mechanisms** to evaluate their partnerships with business (10 out of 12). Some used both formal and informal mechanisms. Most used mixed methods with both qualitative and quantitative reporting. Several relied on external evaluation. All four of the national organizations in this large-size sample used formal evaluation mechanisms. Eight served vulnerable populations, while two did not. Sectors of activity included social services, education, arts and culture, health and advocacy, and the organizations were spread across all regions of the country.

The two large NFP organizations using informal mechanisms both served vulnerable populations (refugees and at-risk youth). They were regionally based and served a local population. One planned to move to formal mechanisms in the near future. The other expressed concern about the cost of data gathering, particularly quantitative data.

6.3 Effects of partnership on vulnerable clients

Of the 33 NFPs serving vulnerable populations in the survey, 31 answered the question, “How did the partnership(s) affect the vulnerable population that your organization serves?” — though in one case a partnership fell through. All 31 were **positive** about the impact of the partnership with business on the vulnerable population they served. This finding crossed NFP size, region, sector and type of vulnerable population. Most suggested that because the partnership was positive for the organization as a whole, it was therefore positive for the clients of the NFP. “The partnership has helped the organization in general, which in turn helps vulnerable populations as well as non-vulnerable populations in the same degree and measure,” said one interviewee.

None of the 31 NFPs answering this question expressed any concern that the partnership with business could cause mission drift and reduce focus on the client population. “Our vulnerable population is significantly affected, and it is very difficult to measure that. For example, because of this particular donor, we can deliver a free lunch program to over 100 kids — that tells me, ‘penny by penny,’ we see significant benefits and a great effect in the community — it is all about community building, and gaining ‘social capital’ through our efforts,” said one interviewee. “It has enabled us to sustain or enhance our programs and the number of people we support,” said another. “Forging private sector partnerships is critical to NFP entities. It allows us to achieve our mission (to help at-risk youth) and strengthens our core values, allowing us to do the work that needs to be done within the vulnerable population — at the end of the day, having a diverse stream of revenue makes us able to staff emergency shelters and give out free meals.”

In many cases there was **separation** between the business’s involvement (which was often financial in nature) and the actual running of the program. A company logo may be used, but the company would not necessarily engage in program delivery. In only three cases did the interviewees talk about the reciprocal benefits to business of the relationship with vulnerable individuals. “It provided us with an opportunity to share the particular vulnerabilities and challenges that workers with disabilities face with the partner and the greater community.” Another respondent said, “Partners chose to work with us because of the vulnerable population that we serve — they prefer to donate and buy our services so that the youth will benefit from employment.” Yet another said, “They/we have learned to get better at serving these populations through partnership arrangements. We have hired other external experts to help us manage this. We have learned that the ‘partner’ needs to identify with your cause and that it is not nearly as effective if they do not. They need tangible satisfaction from serving our clients, or the process is less effective.”

Clearly **diversifying revenue streams** and **strengthening the financial resources** of the NFP through partnership with business was seen as essential for serving vulnerable populations. As indicated in one interview, “For the work that we do in the social sector, no amount of money is ever going to be enough. The vulnerable people that we serve will never have enough resources. Partnerships are the only ways that we can make up for the inherent lack of resources in the social sector. It has enhanced the quality of life for people living with AIDS.”

6.4 Impact on the NFP partner

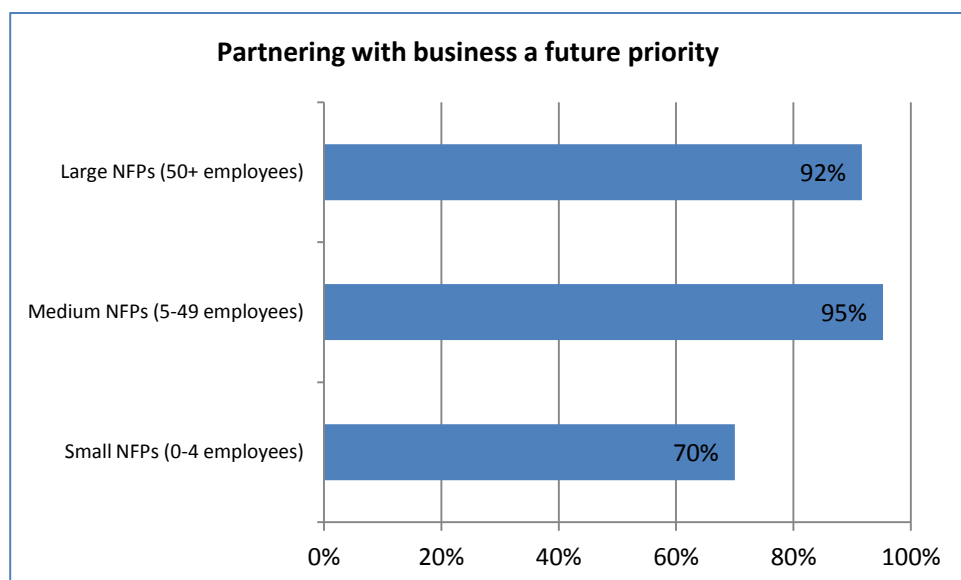
When asked about the impact of partnering with business, 39 of 44 interviewees (for the 45th NFP, the partnerships had not materialized) answered this question (89 per cent). **Overwhelmingly, the interviewees felt positively about their partnerships.** This was true regardless of NFP size, population served, sector or region. Positive impact was measured primarily in terms of the financial impact that the NFP felt from the partnership, as many of these arrangements were sponsorships of one form or another. Almost all interviewees made some reference to financial impact, indicating that the partnerships enabled them to gain more resources, deliver programs and leverage further funding. Even the NFP whose partnership fell through indicated that if the initiative had been successful, it would have garnered additional resources for the NFP. One mid-sized NFP serving a vulnerable population said, “It allows us to do more, either directly by having more resources, or having an image to leverage to gain more partnerships — they are enablers, both directly and indirectly.” Some form of this sentiment was stated in most of the interviews. Only one NFP indicated that there had been minimal impact for their organization from partnering with business, and another suggested that while important in a specific instance, their partnership had not had much overall impact on the organization.

Word cloud of NFP responses about the effect of partnering with business on the organization



The second most common response to this question suggested the effect of the partnership was to increase and enhance the NFP's collaborations, networks and relationships in the community and with business.

Several NFPs also highlighted the **strengths** they gained organizationally as a result of their partnerships. “It enhances our services by providing funds and tools for our services — it enhances quality — it shows that we have the ability to work with others, creates a larger community profile and helps indirectly with the marketing (becoming a household name),” said an interviewee representing a large NFP serving a non-vulnerable population. “It validates and strengthens our organization in the community — broad private sector support



has helped us gain a reputation of being a not-for-profit that has real expertise in generating private sector support,” was how another interviewee put it.

Some NFP respondents indicated that they had learned and developed a **deeper understanding** of the business sector and its constraints as a result of

these partnerships. “The corporate world is different from the not-for-profit sector — learning these differences has been important in being successful towards creating partnerships,” said a mid-sized organization serving vulnerable groups. Respondents also suggested that the businesses had also benefited from the partnership. “It’s been very positive every step of the way. It has been mutually beneficial. The NFP’s private partner has defended the NFP and leveraged their influence to help achieve their mutual goals.”

For some NFPs, the partnership with business served as a **catalyst for change** within the organization. “It changed how we do business at the national level — we have a stronger appeal and are a more serious organization with more sophisticated evaluation, tracking systems and financial capability. It increased capacity and allowed the organization to know more about what’s going on out there.”

It is little wonder that all of the survey respondents indicated that they would partner with business again in the future (100 per cent). Most, though not all, indicated that it was a **high priority** and part of their **strategic plan** going forward. Over 90 per cent of mid-sized and large NFPs in the survey see partnering with business as a future priority. But 30 per cent of the small NFPs in the sample did not see this as a future priority. These small organizations served both vulnerable and non-vulnerable populations and were not sector or region specific. These results point to larger NFPs placing a higher value on partnerships with business than smaller NFPs.

“Yes and yes, it’s a priority. It’s so much more flexible than the grants, because you can sit with someone, negotiate a project and turn it into something you both want to make. And that’s exciting. And the reporting becomes much more straightforward. With government, it’s much more complicated and complex.”

7.0 Facilitating successful partnerships

7.1 Factors that influence effective NFP–business partnerships

Drawing on the experience of the NFPs surveyed, four major themes were identified that lead to effective partnerships:

- 1) Establish a **strong relationship** with the partner.
- 2) Use **formal mechanisms** within the partnership.
- 3) Maintain **ongoing and clear communication** between the NFP and the business partner.
- 4) **Leverage success** both within the partnership and more broadly.

Each of these themes will be established in turn.

7.1.1 Establishing relationships

At the outset of the partnership, establishing a **positive relationship** with the business was raised as a critical step for success. Importantly, many felt that the relationship needed to be reciprocal in nature. “Making sure early on that the partners view you as an equal is important; often partners feel like they are doing you a favour rather than [being] a partner,” said one interviewee.

It is also important for the NFP to **keep its own needs front and centre** in the relationship; otherwise there is a danger of moving away from serving the needs of the NFP’s clients and instead serving the needs of the business. This sentiment was expressed by several NFPs that serve vulnerable populations. The need to develop a team approach between the NFP and the business was highlighted as a key factor in effective partnerships.

Effective partnerships require the NFP to know what the partner is looking for in the partnership and to understand how business works. This includes visibility for the business partner and recognition of their contribution. The strong partnerships have “clarity around financial, human and/or other resources each side brings to the table.” Several respondents indicated that business worked at a different speed from the NFP and therefore required the NFP to adjust its expected time frames to keep up.

Key to most successful relationships is **building trust**. Respondents also noted that the NFP’s own reputation is critically important in building trust with both current and future business partners. Other key attributes that facilitate relationship building include flexibility and ongoing learning for the NFP throughout the partnership. However, NFPs must be realistic about the deliverables as they establish the partnership. One NFP cautioned, “Be careful about how much actual work the NFP will accept. It can end up taking too much time and thus doesn’t end up making a difference to the people you are trying to serve. Be realistic about deliverables to the private partner. It is time-consuming.”

7.1.2 Using formal mechanisms

Not surprisingly, most NFPs in the sample indicated that having and using formal mechanisms within the partnership is a critical success factor. These formal mechanisms include **written statements of the objectives and the deliverables** of the partnership drafted and agreed to by both parties. Memorandums of understanding and written agreements or contracts are a key ingredient of successful partnerships. Many felt that such statements bring more clarity to the mutual objectives for both parties. Establishing written formal objectives can make for difficult conversations at the outset of the relationship, but over time they help both partners meet their shared goals. Not surprisingly, when asked in an earlier question about what the NFP would have done differently in their partnership, many indicated that they wished they had a set of formal written objectives between the two parties before they began their partnership.

The business partner needs to be **involved early** in the process of establishing these formal mechanisms, and there needs to be adequate reporting and follow-up from the NFP over time as to the outcomes of the partnership. One NFP suggested there is a need for professionals within the organization that can deal with the business.

Once the partnership is established, there is a need for **ongoing openness and transparency** with written evaluations to help guide future directions. However, even though these partnerships are viewed positively by the NFPs interviewed, one interviewee sounded a cautionary note: “Have an escape clause and don’t be afraid to use it.”

7.1.3 Ongoing communication

A third theme for effective partnerships is the need for ongoing communication between the NFP and business. This pattern of communication needs to be established at the beginning of the partnership with a set of **shared objectives that focus on the community**. Through this communication, the NFP will be able to determine if the business partner is the right fit, as a shared set of objectives is critical for successful partnerships. Finding a champion for the partnership within the business can be often helpful in developing lines of communication.

However, the NFP must also learn how to communicate effectively with business partners. For many NFPs, the pattern of communication and even the language used by each party is very different. “You need to ‘speak their language’ to make partnerships happen — focus on the benefits to them,” said one interviewee. The NFP must develop a strong case for support from the business. It needs to be clear as to what is being asked for and why the business should become a partner. Finally, there should be assigned roles within the NFP so multiple different requests are not being asked of the partner.

7.1.4 Leveraging success

All too often, NFPs do not build on their past successful partnerships and leverage these relationships for future partnerships. There is a **tendency to rely on a single partnership over time** rather than building on the success with that partner and adding new partners. This is particularly important because there is a natural attrition rate with business partners, and new partnerships must be cultivated over time.

Effective NFP–business partnerships take advantage of economies of scale, building on existing NFP and business networks and leveraging other groups in search of business partners. The NFP needs to “think outside the box, go beyond the ‘top 10’ lists of potential supporters and get creative in finding solutions.” When recruiting and working with partners, the NFP needs to consider benefits that extend beyond simply the financial. “It is not always about the money — skills and expertise (as well as other types of services) are often really great — be open to more than just a financial partnership,” advised one NFP.

7.2 Ingredients of successful NFP–business partnerships

Interviewees were asked, “In your opinion, which of these ingredients leads to a successful partnership with private sector business?” The question provided the following suggestions:

- clearly defined goals and objectives by each partner
- clarity around financial, human and/or other resources each side brings to the table
- mutual respect and willingness to learn
- roles and responsibilities well defined
- flexibility to adapt to changing circumstances
- open communication
- other

The single most common response across all respondents was **mutual respect and willingness to learn**. Open communication was the second most common response to this question, and clearly defined objectives, roles and responsibilities was the third. Only mid-sized NFPs in the survey rated open communication higher than mutual respect (40 per cent vs 36 per cent). Roughly a third of the sample described other attributes, including impact, accountability, risk management, shared goals and relationships.

7.3 Limitations of NFP–business partnerships

While indicating that their experiences have been positive, the NFPs interviewed did provide a range of limitations faced in these partnerships. The most common limitation cited by large, mid-sized and small NFPs was that “the private sector has different needs from the NFP sector.” Many NFPs (four small, three mid-sized and one large) felt these differing needs can “lead to conflicts of interest” between the NFP and business. This view was strongly expressed by NFPs serving vulnerable populations. Similarly, several interviewees felt that the differences between the sectors meant that **business didn’t understand the NFP sector, considered NFP needs to be secondary** and resulted in **short-term relationships**. Nineteen of the 45 interviewees (42 per cent) indicated that some aspect of this response was the major limitation of NFP–business partnerships. This response was consistent across all three NFP sizes, national and local organizations, sectors, regions and those serving vulnerable and non-vulnerable populations.

A second common response highlighted the **lack of clarity regarding the roles of each partner**. Three mid-sized and three large NFPs gave this response (13 per cent of respondents), while five NFPs serving vulnerable populations indicated that this was the primary limitation in these partnerships. Interestingly, this limitation was not raised at all by small NFPs. There was no regional or sector differences in this response.

Partnerships between not-for-profit organizations and business: Challenges and opportunities

Carleton Centre for Community Innovation

Five NFPs expressed concern about the **potential reputational damage** to the NFP from the association with a business over time, particularly if that business ran into problems. This was raised by small and mid-sized NFPs, and by three of the five serving vulnerable populations.

Another five NFP interviewees raised concern raised about the **competition** among NFPs for scarce resources. This issue was raised by all sizes of NFPs serving vulnerable and non-vulnerable populations, demonstrating that it is not just small NFPs that must compete for these resources. Similarly, a respondent for a small NFP and a respondent from a large NFP both emphasized the lack of internal capacity to capitalize on the partnership as a major limitation.

Only three interviewees raised the issue that the NFP–business partnership might divert attention from the core mission of the NFP. These were all mid-sized NFPs, two of which served vulnerable populations and one that did not.

Limitations to NFP–business partnerships

(number of respondents who identified each limitation)

	Large NFPs		Mid-Sized NFPs		Small NFPs	
	serving vulnerable populations	serving non-vulnerable populations	serving vulnerable populations	serving non-vulnerable populations	serving vulnerable populations	serving non-vulnerable populations
Private sector has different needs and this can lead to conflict of interest between the NFP and business	1		3		4	
Private sector doesn't understand NFP	2		1	2		
Private sector can be hard to understand				1		
NFP may be secondary in priority for business				2		1
Private sector has changing needs and so the relationship may be short	2	1	1		2	
Lack of clarity in roles of each partner	2	1	3			
Competition with other NFPs for scarce resources	2		1		1	
Competition between business sponsors	1					1
Ongoing association with business could have an impact on reputation			1	2	2	
Diverts attention from mission			2	1		
Hard to establish relationship with business	1		2		1	
NFPs lack internal capacity to capitalize on the partnership	1			1	1	

7.4 The role of government in NFP–business partnerships

Given that the partnerships examined here are between NFPs and business, what role is envisioned for government to play in establishing such partnerships? Of the 45 interviewees, 19 (42 per cent) expressed the hope that government would be a **willing partner** in assisting in the development of these partnerships. To do this, 18 of them felt government would have to provide **incentives to business** to encourage partnerships. The vast majority of these respondents (16 out of 18) felt that some form of **tax credit** to business would provide such an incentive. One large NFP specifically raised **social impact** as a model that government could support.⁵ Of the respondents in favour of a tax credit, 12 served vulnerable populations. There was no distinction between NFP sizes, sectors or regions.

Twenty-two per cent of the interviewees (10 of 45) indicated that government should not help, but rather **let the NFPs and businesses foster their own partnerships**. A few in this group indicated that government's role should be to provide **advocacy** only with regards to NFP–business partnerships. These respondents were all from mid-sized and large NFPs, all but one serving vulnerable populations.

Several interviewees suggested that government could help provide a **match-making service** between NFPs and business (20 per cent, 9 of 45). Government could promote these partnerships and provide information on NFPs for businesses seeking partners. Some suggested an Internet-based portal, others a telephone service such as 1-800-O-Canada. Such services could include workshops and case studies for both NFPs and business. This approach was raised by mid-sized and large NFPs, almost all serving vulnerable populations.

Interestingly, small NFPs thought grants from government to NFPs trying to partner with business would be a good way for government to advance these partnerships. A third of the small NFPs provided this answer, along with one mid-sized and one large NFP, for a total response rate of 13 per cent. This response speaks to the sector's reliance on grants, particularly for small NFPs serving vulnerable populations.

Six interviewees (13 per cent), across all three sizes and serving both vulnerable and non-vulnerable populations, thought government was not currently helping to establish NFP and business partnerships. They refuted the opening statement of this interview question, which stated that "Federal, provincial and municipal levels of government are interested in the non-profit sector and are looking for ways to assist and facilitate partnerships between non-profits and private sector businesses."

Several other individual suggestions were made as to how government could help facilitate partnerships. Several respondents talked about streamlining regulation and "cutting red tape," but no specific measures were raised (see table below).

⁵ A social impact bond allows private sector investment in mission driven enterprises, with a clear set of metrics to be achieved over time by the enterprise. If the level of impact agreed to is achieved, the investors are repaid their principle and interest by Government.

Role of government in NFP–business partnerships

(number of respondents who identified each government role)

	Large NFPs		Mid-Sized NFPs		Small NFPs	
	serving vulnerable populations	serving non-vulnerable populations	serving vulnerable populations	serving non-vulnerable populations	serving vulnerable populations	serving non-vulnerable populations
Offering incentives like tax credits to businesses that partner with NFPs	3	1	6	3	3	
Facilitating social impact bonds	1					
Offering loan guarantees				1		
Match-making for NFPs and business (web-based information portal, business case models, 1-800-OCanada, networking support)	3	1	5	5	1	
Advocacy	1	1	3	3		
Streamline registration to make NFP-business partnerships easier to achieve — cut red tape	1			1	1	
Provide grants (match funds) to NFPs for training and capacity building	1		1	5	3	1
Specific government department to facilitate partnerships					1	
Provinces should follow federal government lead in “cleaning up” NFP sector e.g. improving legislation						1
Should not help	1		6			
Not helping now	2		2	1	1	1

7.5 Useful tools

As described in section 5.7 above, interview respondents identified several tools that would have helped them if they had been available during their partnership. These included skills development training and workshops, tools to approach potential investors and partners, methods to better engage the NFP’s board and volunteers in the partnership process, information and contact databases and associated assistance to navigate complex corporate organizational structures, other templates and best-practice documents, conflict resolution mechanisms, and impact measurement tools.

Many of these tools could form part of a suite of services provided by Employment and Social Development Canada through an online resource depository that supports partnerships through templates, resources and an online match-making database of NFPs and businesses looking to partner. This service is described further in section 8.1 below.

7.6 Promising practices

The results of this random sample survey show that many NFPs continue to partner with business in traditional ways. Financial support through sponsorship, events and ticket sales remains a primary objective. However, in some cases, a paradigm shift is underway as NFPs leverage additional resources beyond the financial. These promising practices are described below.

1) Approaching partnerships strategically. NFPs are increasingly developing business cases for partnership that outline specific, diverse benefits for each organization. The needs and priorities of the for-profit partner are being considered along with the skills and assets that each side brings to the table towards a common goal.

2) Being opportunistic. Not only are traditional “us versus them” or “silo” mindsets no longer prevalent, NFPs are actively approaching potential private partners through a series of mechanisms to create opportunities even where these are not immediately evident. This increasingly enables partnerships to develop opportunistically and organically rather than through a structured, formal process.

3) Leveraging success of the NFP–business partnership. Within their current partnerships, NFPs are increasingly understanding and contributing to businesses’ needs, using businesses’ volunteers and developing champions for the NFP within the business. In some cases, new NFP board members have been recruited from the business.

4) Shifting towards ongoing partnership arrangements where possible. NFPs recognize that the time and resources required to set up new partnerships can be intensive for both themselves and their corporate partners. In some cases, particularly with smaller NFPs and small businesses, the initial partnership morphs into an ongoing relationship or is renewed on a regular basis.

5) Leveraging success with new partners. This practice recognizes that once success is achieved with one partner, that success can be used to attract additional partners to the NFP. In the past, NFPs tended to maintain one core partnership. Increasingly, multiple partnerships are seen as a way to build a resilient and sustainable organization.

6) Building internal capacity. Large and medium-sized NFPs are increasing their capacity to recruit and maintain partnerships with business. Many are seeking professional staff to handle these partnerships, making them a central priority for the organization rather than something overworked staff members have “on the side of their desk.”

7) Establishing stronger networks that include private, public and NFP actors. As one NFP interviewee pointed out, “a clear ‘pathway to partnership’ may not exist in today’s networked and webbed world.” NFPs are increasingly maintaining and leveraging relationships with current and former colleagues, employees, families and friends to forge connections to business partners.

8) Using formal mechanisms. The numbers and types of formal mechanisms used are on the rise. These include memorandums of understanding and contracts that clarify roles and responsibilities between the NFP

and the business partner. This shift is most noticeable with medium-sized and large NFPs. Most small NFPs currently lack the resources to formalize their relationships.

9) Increasing communication between partners. Over time, increased communication between partners has helped to improve the relationship between the partners. Increased communication is often credited as a success factor in achieving the objectives of the partnership. Some NFPs drew on specific tools to increase communication such as newsletters, reports and evaluations.

10) Formal results measurement. A final promising practice is the use of formal evaluations to measure the results of the partnership. The survey results indicate that it is primarily medium-sized and large NFPs that currently use formal evaluation tools. Small NFPs continue to rely on informal mechanisms such as verbal reports and meetings. Many of the larger NFPs credit the use of such formal evaluations as being part of a fundamental shift in the way they think and operate.

8.0. Implications

These findings have a variety of implications for NFPs, businesses and all levels of government that seek to promote partnerships between NFPs and the private business sector.

First and foremost, ***the primary motivation for NFPs seeking to partner with business is financial.*** NFPs are seeking additional sources of revenue to fund their operations and deliver their programs. Business partnerships that deliver increased funds for the NFP are both the primary motivator and the primary objective of most of these partnerships. This is particularly true for small and medium-sized NFPs that serve vulnerable populations. As a result, success in such partnerships is evaluated on the basis of achieving the desired funding for the organization. Many NFPs suggest that without this funding source, they would not be able to carry on their programs. They worry that they lack the capacity (and professionals) to attract and hold these partners, and to leverage success with new partners. Given their dependence on these external financial resources to deliver programs, they are also concerned if the vulnerable population they serve is not “popular” with business. Those who serve clients with HIV/AIDS or address homelessness, for example, feel the pressure of waning business interest in their missions.

Large NFPs (particularly those that do not serve vulnerable populations) are better able to fully maximize their partnerships with business. They see these partnerships as a way to build capacity, engage in collaborations and “strategically leverage resources” to achieve their mission. These resources are not simply monetary and can also include pro bono services, reduced purchasing costs and even new board members.

Helping NFPs to better understand businesses and what they can offer through strategic partnerships could provide a way for small and mid-sized NFPs to better understand and evaluate the range of possibilities that go beyond business sponsorship.

Business partnerships are not new for NFPs. The random sample used in this study revealed many NFPs with over 100 such partnerships over the past five years, including one partnership that had lasted 25 years. Partnership with business is not a novel concept for most NFPs. What is new is the move beyond simply selling

tickets to events or placing business logos in lobbies as a way to engage partners. ***Relationships, relationship building, trust and mutual respect are key dynamics for NFPs as they engage businesses in partnerships.*** A key driver here is helping the NFP and business find “the right fit.” Reputation and reputational damage for both NFPs and businesses were identified as major risks in these partnerships.

A key ingredient for building deeper relationships between NFPs and business is open, ongoing and honest communication between the partners. A common statement made through the interviews was that business and NFPs don’t speak the same language. They don’t operate with the same needs and demands and have different time horizons. ***To overcome these barriers, regular and continual communication is required.*** Such communication can be aided by regular bulletins and newsletters between partners, reports mandated in contracts and evaluation measures that allow both parties to see the impact of the partnership. In many cases, businesses are confused as to why the NFP is seeking additional financial support. They erroneously assume that all of the NFP’s costs are funded by government. This is particularly true for organizations that serve vulnerable populations. ***This speaks to the need for government to advocate for partnerships as a way to serve the needs of both the NFP sector and those of business.***

Some NFPs need help in identifying and recruiting potential partners. ***An information portal that matches NFPs’ and businesses’ needs could provide a way to stimulate such engagements.*** Businesses and NFPs alike need to think creatively about their relationships in order to deepen the engagement between them. Case studies, best practices and other information could facilitate this mindset shift. Workshops, mentors and coaches could assist in building the required internal capacity, particularly in small and mid-sized NFPs, in order to fully leverage the potential of these partnerships.

A surprising number of NFPs are already using formal mechanisms to clarify roles within these partnerships. Fully 80 per cent of those surveyed said they developed MOUs or contracts before or during the partnership. They equally stressed the importance of these formal mechanisms in achieving their objectives. ***Yet when asked what they would do differently in the partnership, most indicated they would have more formal mechanisms to clarify goals, objectives, responsibilities, time lines, etc.*** It appears that formal mechanisms allow each partner to better understand the other, to set attainable goals and to maintain reasonable expectations of each other. All these outcomes were identified as attributes in a successful partnership. When identifying useful tools, many NFPs indicated that documents including templates for ongoing communication such as bulletins and newsletters, model policies pertaining to partnerships, and contract documents or partnership agreement templates would all be helpful. This suggests that an online depository of resource material would be helpful to both NFPs and businesses throughout their partnerships.

A concern in the NFP community is that the pressure to recruit business partners creates a competitive environment between NFPs as they vie for scarce resources. As long as the number of businesses willing to partner with NFPs remains small, competition for scarce resources will be a reality for the sector. ***Increasing the number of businesses engaged with NFPs will require some incentives that clearly demonstrate “what’s in it for them” for the business community.***

8.1 Implications for the role of government

Not surprisingly, the **need to incentivize business** to take on NFP partnerships was raised by many NFPs as the key role for government in NFP–business partnerships (42 per cent of survey respondents). A tax credit offered by government to business was seen as the primary way to encourage businesses to take on such partnerships. Only one interviewee suggested that social impact bonds may provide a good model for government’s role in incentivizing private partnerships. This likely speaks to the relative newness of this financial instrument in Canada. No interviewee raised new hybrid company legislation — for example, the new corporate structure introduced in B.C. called “community contribution companies” — as an incentive for partnerships with private business.⁶ Small NFPs, reflecting their precarious funding situations, suggested that direct grants be given to NFPs to help them build capacity to seek and establish partnerships with business.

However, 22 per cent of those interviewed felt government should either not be involved in NFP–business partnerships or be involved only in an advocacy role. This view was expressed by medium-sized and large NFPs only, with the majority serving vulnerable populations. It speaks to the growing self-reliance within the sector, particularly for larger organizations that are building internal and often professional capacity to work with business and leverage their successful partnerships.

A key role identified for Employment and Social Development Canada is to provide a match-making service between NFPs and business. ESDC could promote these partnerships and provide information on NFPs for businesses seeking partners. Some suggested an Internet-based portal, others a telephone service such as 1-800-O-Canada. This speaks to the advocacy role for government in these partnerships. Such a service would also help businesses to gain a deeper understanding of the NFP sector, an area of concern raised throughout the interviews. Finally, it would address the problems of identifying potential partners and establishing relationships that many NFPs face when attempting to partner with business.

Another role identified for government is that of capacity building to enable both NFPs and businesses to make the most of their partnerships and move beyond fundraising into deeper partnerships that draw on human, social and financial capital. ***Providing an information portal that offers online tools and resources is another role ESDC could play to facilitate NFP and business partnerships.*** Such services could include templates and tools. Other capacity-building opportunities could be provided through workshops and case studies for both NFPs and business. As well, mentors, champions and coaches could build capacity in the sector to fully maximize partnership opportunities.

An additional aspect for both federal and provincial governments is to address any systemic disincentives that discourage NFPs from partnering with business. An obvious example of such disincentives is a claw-back of funds by a government funding agency when additional funds are generated through a business partner. Imposing strict new controls on an NFP that partners with business was also seen as a way government inhibits

⁶ These new hybrid company structures facilitate private equity investment in social enterprises - previously with a nonprofit structure it wasn't possible to attract equity investors. This new legislation allows for some profit distribution to investors that is capped at a lower rate than many private equity investments.

the development of these relationships. Potential disincentives in government rules and regulations should be identified and addressed to enable more NFP successful partnerships with business.

8.2 Limitations of this knowledge-development project

The research is primarily limited by its **small sample size** of 45 NFPs across Canada. Although all regions and NFP sectors were represented in the sample size, it was not possible to draw any conclusions based on either geographic or sector analysis because each of these segments was too small within the total sample. The results were segmented for small, medium-sized and large NFPs, as well as NFPs that serve vulnerable populations versus those that do not.

The use of a random sample allowed NFPs to be selected for interviews without the research team having prior knowledge as to (a) whether they had partnered with business and (b) if they had, what the results of the partnerships (either positive or negative) had been. While this random sample provides interesting and unbiased data on these partnerships and their success, the limitation of this approach is that of the 450 randomly drawn organizations selected from the full dataset, many of those who responded to the request to be interviewed and who had partnered with business were located in Ontario. Two-thirds of the random sample itself were organizations based in Ontario. As a result, no distinct patterns of responses were discernible by type or location.

8.3 Future knowledge products

To address these limitations, further research could be undertaken using a much larger representative sample of over 350 NFPs to generate greater insight into regional and sectoral differences in the NFPs' approaches to partnerships with business. Small sample sizes provide insight but are often harder to generalize from and are not statistically robust.

9.0 Conclusion

This report examines NFP's partnerships with business. Much has been written from the perspective of business on the benefits of corporate philanthropy, corporate social responsibility and community engagement. But currently we have limited knowledge of the barriers, opportunities and best practices from the perspective of the NFP sector engaged in active partnerships with business.

NFPs, particularly those that work with vulnerable populations, face several unique challenges when it comes to partnering with the private sector. First is developing a business plan, identifying and approaching the private sector partner, and engaging them in the partnership. Finding the "right fit" is key to making these partnerships deep and meaningful. These important initial steps often require skills, strengths and entrepreneurial capabilities that are not necessarily present in all NFPs, particularly small NFPs. Once the partnership is established, developing shared objectives, ongoing trust, relationship building and open communication are required. Measuring results help both parties understand the benefits of the relationship.

Partnerships between not-for-profit organizations and business: Challenges and opportunities
Carleton Centre for Community Innovation

While it is important to be mindful of the challenges NFPs face in developing private sector partnerships, such relationships can provide considerable opportunities. To scale up and grow these opportunities for Canadian NFPs, particularly for those serving vulnerable populations, we need to gain a deeper understanding of these partnerships from their perspective. This report identifies resources and tools that encourage and facilitate NFPs' ability to partner with the private sector, as well as opportunities for the government and other actors to support these partnerships and help the NFP sector gain the self-sufficiency and sustainability needed to continue to deliver much-needed services to Canadians. This report highlights insights and implications drawn from the experiences of NFPs in Canada when they have partnered with business.

Appendix I: ESDC knowledge-development project research objectives and questions

Objectives

- provide an overview of the challenges and opportunities that not-for-profit organizations experience when attempting to partner with the private business sector
- identify resources/tools that NFPs could use for partnering with the private sector
- identify opportunities for federal government (in particular ESDC, formerly HRSDC) and other actors to enhance NFP capacity to build partnerships with the private sector for the ultimate benefit of Canadians

Questions

1. What are the driving factors for NFP organizations to seek partnerships with the private sector?
2. Whether there are internal resistance within NFP organizations for partnering with the private sector?
3. How do NFP organizations determine which private companies to approach for building partnerships (i.e., whether they consider philanthropic or community-related activities that the company is undertaking)?
4. What major challenges and opportunities do NFPs face when:
 - a. identifying and soliciting new private sector partners?
 - b. managing and retaining existing private sector partners?
5. When partnering with the private sector, how do NFP challenges and opportunities vary:
 - a. by small versus large NFPs?
 - b. by provinces and territories?
 - c. by NFPs operating in rural and remote communities versus NFPs in more populated urban areas?
6. When attempting to partner with the private sector, do the NFP challenges and opportunities vary depending on:
 - a. the vulnerable populations they serve?
 - b. the mandate of the organization (e.g., social housing, employment, health care, etc.)
7. Do the NFP challenges and opportunities differ when partnering with small and medium for-profit enterprises versus large corporations?
8. What kind of support, resources and tools do NFPs use/need to address the challenges identified when partnering with the private sector?
9. From the NFP perspective, what are the ingredients of effective NFP–private sector partnerships?
10. What are the impacts of NFP–private sector partnerships on the Canadian communities? Is there quantitative and qualitative evidence of the impact, particularly in relation to vulnerable populations?
11. Is there a role for the federal government, in particular ESDC (formerly HRSDC) to facilitate NFP–private sector partnerships?

Appendix II: Survey questions

Setting up partnerships with business

1. Has your organization attempted to partner with a private sector business over the past five years?
If no:
 - a. Why not?
 - b. Have you contemplated a partnership with a private sector business?
2. If yes:
 - a. How many partnerships were you involved in during the past five years?
 - b. What kind of partnership(s)? Can you give me a brief description?
 - c. What kind of private sector businesses did you partner with? Can you describe their size and purpose?
 - d. Were the partnerships time-limited in nature or ongoing?
3. At the outset,
 - a. Who initiated the partnership(s)? How was this done?
 - b. Why was the partnership(s) initiated? What were the underlying reasons and motivations?
 - c. Did you experience internal resistance within your organization to partnering with the private sector? If so, please describe this (these) experience(s).
 - d. Did you experience external resistance for partnering with the private sector? If so, please describe this (these) experience(s).
4. How were partnerships established?
 - a. Was there a formal process?
 - b. Did you already have a relationship with the partner?
 - c. Did you have any criteria for selecting the partner?
 - d. Did any opportunities arise at this point?
 - e. Did any challenges arise at this point?
5. Please describe the partnership arrangement.
 - a. Did you have a formal contract or MOU at the outset?
 - b. Did you develop a formal contract or MOU at a later stage?
 - c. Did the partnership arrangement change over time?
6. Motivating factors
 - a. What were the drivers for your organization to seek partnerships with private sector businesses?
 - Financial or in-kind support
 - Other resources and capacity such as expertise, staff or volunteer time
 - Creating more momentum around an issue or program by working with private sector leadership
 - Others?

Appendix II

Partnerships between not-for-profit organizations and business: Challenges and opportunities

Carleton Centre for Community Innovation

- b. To what extent were you motivated by an opportunity? Please elaborate.
- c. To what extent were you motivated by need? Please elaborate.

Partnership dynamics

- 7. How did the partnership(s) work? What were the roles of the different partners?
- 8. Relationships
 - a. What was the relationship like between the partner organizations? Can you elaborate?
 - b. Did the relationship change over time? If so, why?
- 9. Opportunities and challenges
 - a. Did any new opportunities arise during the partnership(s)? If so, please elaborate.
 - b. Did any issues or problems arise during the partnership(s)? If so, please elaborate.
 - c. How were these addressed?
 - d. Within your organization, were staff supportive of the partnership(s)? Why or why not?
 - e. Within your organization, were board members supportive of the partnership(s)? Why or why not?
- 10. Resources
 - a. What kind of resources, tools or support did you use when partnering with private sector business?
 - b. Did you develop any resources or tools that you could share?
 - c. Are there any resources, tools or other kinds of support that would have helped you during the partnership(s) if they had been available?
 - Skills development training
 - Intermediaries or facilitators
 - Best practices
 - Other?

Outcomes

- 11. Objectives
 - a. Were objectives established during the planning stage?
 - b. Were objectives articulated formally or informally?
 - c. Did objectives change during the partnership?
 - d. Do you feel that the partnership(s) is meeting/has met its objectives?
- 12. Do you do formal outcome evaluation for your programs and services?
 - If so:
 - a. Did you or your partner evaluate the partnership(s) in this way?
 - b. What frameworks or tools did you use?
 - c. Was the evaluation quantitative, qualitative or mixed methods?

Appendix II

Partnerships between not-for-profit organizations and business: Challenges and opportunities

Carleton Centre for Community Innovation

d. Would you be willing to share the results of this evaluation with us?

▪ If not:

e. Did you conduct an informal evaluation or assessment of the partnership?

f. Would you be willing to share the results of this evaluation with us?

13. (If applicable) How did the partnership(s) affect the vulnerable population that your organization serves?

14. How did the partnership(s) affect your organization?

Lessons learned

15. If you were to repeat the partnership(s),

a. What would you do differently?

b. What would you keep the same?

c. Was the partnership was a good mechanism to achieve your broader objectives? Please elaborate.

16. Can you describe three key lessons you learned through this experience?

17. In your opinion,

a. What are the ingredients of a successful partnership with private sector businesses?

- clearly defined goals and objectives by each partner
- clarity around financial, human and/or other resources each side brings to the table
- mutual respect and willingness to learn
- roles and responsibilities well defined
- flexibility to adapt to changing circumstances
- open communication
- other?

b. What are the limitations of partnerships with private sector businesses?

18. Federal, provincial and municipal levels of government are interested in the non-profit sector and are looking for ways to assist and facilitate partnerships between non-profits and private sector businesses.

What if anything do you think government could do to help in this area?

19. Do you plan to partner with the private sector again?

a. Are partnerships with the private sector a priority for your organization?

Appendix III

Partnerships between not-for-profit organizations and business: Challenges and opportunities Carleton Centre for Community Innovation

Appendix III: About the authors

Tessa Hebb, Director, Carleton Centre for Community Innovation

Dr. Hebb is the Director of the Carleton Centre for Community Innovation at Carleton University. Her research focuses on responsible investment and impact investing. It is funded by the Social Sciences and Humanities Research Council, Government of Canada. The Carleton Centre for Community Innovation is a leading knowledge producer on these topics, together with non-profit and philanthropic leadership, northern communities and community economic development. Dr. Hebb received her doctorate from Oxford University.

Dr. Hebb is a member of the steering committees of the UN-backed PRI Academic Network, the Heartland Network, the Canadian Business Ethics Research Network, the Canadian Social Investment Organization and the Impact Investing Policy Collaborative. She led a four-year research project on U.S. public sector pension fund investment in urban revitalization based at Harvard University and funded by the Ford and Rockefeller foundations (2004–2008). She is a frequent guest speaker on responsible investment issues in both Canada and the United States. She has published many books and articles on responsible investing and impact investing policies including the volumes *Working Capital: the Power of Labor's Pensions*; *No Small Change: Pension Fund Corporate Engagement*; and *The Next Generation of Responsible Investing*.

Roopal Thaker, Research Associate, Carleton Centre for Community Innovation

Roopal Thaker is a public policy analyst and experienced project manager for the non-profit sector. She is passionate about working with grassroots organizations to shape public policy from the ground up.

Roopal has over 15 years of experience managing strategic, capital, operational and evaluation projects for local and multinational organizations in Canada, the U.S., Kenya, Uganda, Tanzania and Mauritius. Her work has helped to build organizational capacity, facilitate the delivery of health and social services to communities, assess the impact of programs and projects, and shape the local policy environment.

Roopal graduated from Harvard University in 2005 with a master's degree in public policy (MPP) from the John F. Kennedy School of Government. She also has a master's degree in theological studies from Harvard Divinity School, where her studies focused on the intersection of religion, politics and public life. Roopal has an undergraduate degree in economics and international development studies from McGill University and a graduate certificate in program evaluation from the University of Ottawa.

Roopal enjoys travelling and is always seeking opportunities to explore new places. She recently spent a year travelling on her own off the beaten path through Asia and Australia, and is hoping to extend her wanderlust to other parts of the world.

Appendix III

Partnerships between not-for-profit organizations and business: Challenges and opportunities

Carleton Centre for Community Innovation

Carleton Centre for Community Innovation

The Carleton Centre for Community Innovation (3ci) is a university research centre based at the School of Public Policy and Administration at Carleton University, Ottawa, Canada. Through research, education and program management, 3ci investigates, strengthens and disseminates innovation in community-based economic development, and local governance, responsible investment, philanthropic and non-profit leadership, social finance and community/university engagement.

Acting as a catalyst and convener, and linking research to practice and policy, the Centre seeks to enhance understanding and knowledge of the distinctive contributions of the non-profit, voluntary and philanthropic sectors and local institutions to the quality of life of citizens and community vitality on the part of geographic communities and communities of interest, in Canada and around the world.

Acknowledgements

We would like to thank the eleven experts who assisted us in developing the survey instrument used in this research. We would also like to thank the forty five interviewees who gave so generously of their time and provided us with such interesting insights drawn from their NFP partnerships with business. Additionally we want to recognize the excellent work done by our research assistants Nicole Bedford, Devon Cornelisse, and Mark Robbins in conducting the interviews required for this research. Finally we would like to thank Employment and Social Development Canada (ESDC) and its Community Development and Homelessness Partnerships Directorate for their support of this work. Ottawa-based Bonsall Communications provided us with editing services prior to publication.