Forefront

Mission Sustainability Initiative

December 10, 2018

Chicago Community Trust

225 North Michigan, Suite 2200

Back-Office Panel: How Nonprofits Can Better Focus on Mission

Registered: 47 Attendees: 32

Forefront’s Mission Sustainability Initiative (MSI) held a session on *Back-Office Panel: How Nonprofits Can Better Focus on Mission*.Genita Robinson, Forefront’s MSI director, facilitated the session, which featured presentations by Bridget Altenburg, National Able Network; Bryan Dunlap, Community Service Partners; Cory Gumm, Keystone Alliance; Kristin Larsen, Arts & Business Council of Chicago; Linda Zager, The Back Office Cooperative.

Finding ways to share back-office functions such as IT, human resources, finances, office supply procurement, and others can help organizations gain greater efficiency while building expertise. This does not mean all partnerships are right for all organizations, but conducting due diligence to find the right opportunity can bring benefits. In discussing the process of forming and carrying out back-office collaborations, participants made the following points:

* One of the key reasons to explore a back-office collaboration instead of a merger or partnership is to gain efficiencies while maintaining separate organizational identities and brands. The grassroots identity of some organizations is very important to their community and constituents and is worth preserving.
* Procurement can be an important part of these partnerships, as working with insurance providers, vendors, and other suppliers can often become more efficient when greater scale is added. Specialists in back-office partnerships may be able to highlight service providers who combine quality and affordability in ways existing providers may not. They may also provide expertise that partner organizations do not have and offer technical assistance to build the skills of existing staff.
* Clearly outlining what partnerships do and do not do is important. All of the parties involved should be comfortable with the plan they develop and should feel confident that the partnership is helping them rather than primarily serving the needs of the other partner. Each organization has different needs, so agreements and decisions need to be customized to specific situations. Partnerships should be additive, bringing new benefits without taking anything away from organizations.
* Putting out an RFP (request for proposals) for certain needs and services can generate competition and help locate providers who are a good fit. Collaborative efforts can help craft these RFPs and make sure they reach the right audiences. Issuing an RFP and collecting references can help organizations find the right partners.
* Designing and maintaining a partnership can take time, and that should inform how processes move forward. Knowing who will commit what time can help shape guidelines for moving forward while also ensuring staff do not receive so many additional duties that organizational drift might occur. A back-office partnership may help prevent mission drift by allowing key staff to focus primarily on what they do best, while others handle administration.
* Along with the cost efficiencies, partnerships can provide support in challenging times, as shared staff can fill in certain gaps that may arise.
* Some funders might be concerned that a back-office partnership means some of the dollars they contribute are leaving the community where the grantmaking organization is focused. That is a legitimate concern, but the right partnership should be able to help an organization better focus on mission, which brings overall benefits to their community.
* The relationship between funders and grantees can be complicated, as there is a structural power imbalance. Funders can sometimes try to push an organization to match their vision of what the organization should be, even if that means taking steps (such as casting off fiscal sponsors to become a full 501(c)3 organization) that may not be necessary to fulfill mission. Finding ways to have conversations about what an organization can and should be is difficult but beneficial.
* MSI supports one-time costs connected to exploring and implementing new partnerships. That can include consultant costs, data mergers, website builds, and more. This can overcome some of the existing obstacles to partnerships.
* Potential Partners need to be aware of the variety of stakeholders each organization has and their requirements. Each partner also may have different approaches to personnel matters, which may create conflict when it comes to shared personnel. Developing processes to deal with such conflicts is important and should happen before conflicts arise.
* Some sensitivity is required in dealing with staff who might feel vulnerable when a back-office partnership is being explored. Some anxiety is natural and unavoidable, so being clear and professional with those employees is critical.
* Attention must be paid to the culture of partner organizations and how to blend them. There is no one solution to dealing with potential culture conflict. Knowing that it might be a problem and carefully cultivating the desired culture are important, as is listening to partners with an ear for resolving conflicts.

**Three takeaways from this session**

1. One of the key reasons to explore a back-office collaboration instead of a merger or partnership is to gain efficiencies while maintaining separate organizational identities and brands. The grassroots identity of some organizations is very important to their community and constituents and is worth preserving.
2. Clearly outlining what partnerships do and do not do is important. All of the parties involved should be comfortable with the plan they develop and should feel confident that the partnership is helping them rather than primarily serving the needs of the other partner.
3. MSI supports one-time costs connected to exploring and implementing new partnerships. That can include consultant costs, data mergers, website builds, and more. This can overcome some of the existing obstacles to partnerships.