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It Takes Two: The Tango of Collaboration and Grantmaking

Collaboration is a mutually beneficial and well-defined relationship entered into by two or more organisations to achieve common goals (Lukas, 2005:8)

A continuum of collaboration

Joel Orosz (2000:198-199) distinguishes between *cooperation* and *collaboration*:

- *Cooperation*: Different funders back the same project, each for their own reasons. There is no necessary common goal or plan. Often this is orchestrated by the applicant, but it can also be initiated by one or more of the funders (or by particular staff or committee members of funders, with or without the funder's explicit decision). It is relatively straight-forward, but still not always easy to achieve (with different funding cycles, timelines, criteria, decision-making processes, etc).

- *Collaboration*: Different funders coordinate their funding with a common plan or timetable, seek a common goal and (frequently) agree on a common evaluation plan. This is more formal and more complex, and usually requires a higher level of explicit 'sign off' by leaders in the funders. Generally it is suggested that this is best reserved for large, complex and expensive projects.

To these I would probably add *cohabitation*. This is the 'accidental' joint funding which may very well describe the situation for the 99 per cent of non-profit organisations that orchestrate the mix of funding they require to survive from a range of funders. It is accidental from the funders' point of view (they may not even be aware of the other funders involved); and the particular choice of funders involved may be more opportunistic than deliberate from the applicants' point of view as well.

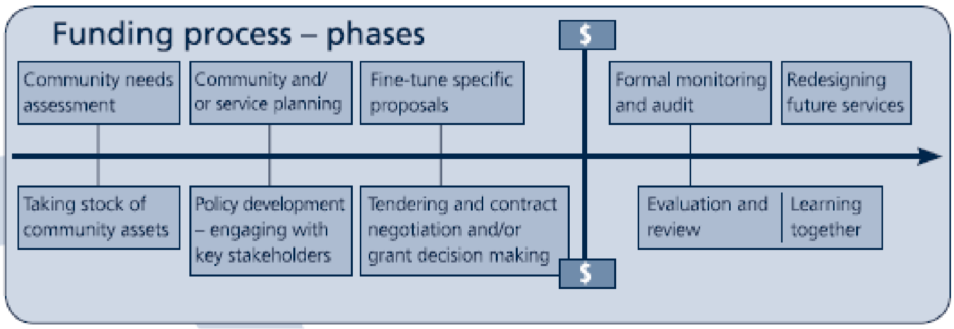
Michael Winer & Karen Ray (1994) similarly distinguish a continuum of working together as funders, from *cooperation* through *coordination* to *collaboration*:

Cooperation	Coordination	Collaboration
lower intensity →		→ higher intensity
Shorter-term, informal relationships	Longer-term effort around a project or task	More durable and pervasive relationships
Shared information only	Some planning and division of roles	New structure with commitment to common goals
Separate goals, resources, and structures	Some shared resources, rewards, and risks	All partners contribute resources and share rewards and leadership

They reserve 'true collaboration' to situations requiring "a commitment to shared goals, jointly developed structures and shared responsibility, mutual authority and accountability for success, and a sharing of resources, risks and rewards".

Thinking beyond the 'joint funding' box

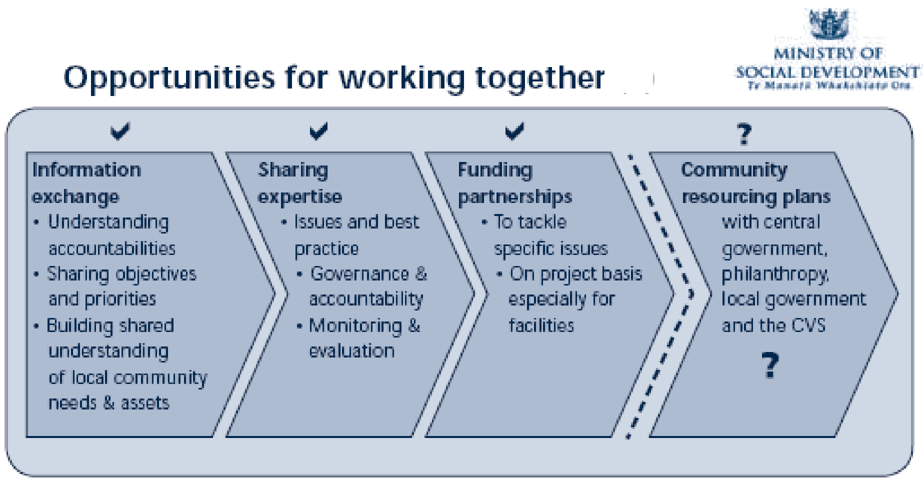
Katherine Baxter (2006:6), however, provides a very useful reminder that there are many more opportunities for funders to usefully work together apart from joint-funding. There are opportunities to work together across the whole funding process: gathering information and identifying and understanding community needs and assets; the proposal and funding stage; and monitoring and evaluation.



In fact, I suspect that there are more opportunities for discovering synergies and for adding value in those other parts of the funding cycle. In fact, the cash involved in joint-funding is probably the most fungible commodity that we have has funders. My money is no better than yours! And thus we can have all the costs and complexities of 'joint funding', without necessarily adding much that couldn't be provided by any one funder by funding more substantially in the first place!

What we each have to offer that *is* more unique and thus more likely to add real value from collaboration is the knowledge, skills, contacts and experience that we can draw on and share from the other parts of the funding cycle. Sharing this knowledge, developing joint or compatible systems or tools can also *reduce* costs, both for us as funders, and also for the applicants.

Baxter (2006:7) also concludes that information exchange, sharing expertise and to some extent funding partnerships "provide a number of opportunities for fruitful engagement between government and philanthropy. Stepping beyond that to attempt a fully planned and coordinated approach or 'plan' is not a useful area to pursue. Such an approach would present both sectors with significant operational complexities and, more importantly, accountability risk."



Iain Hines (2002:5) also examines what he refers to as 'strategic' ways of working together, eg: sharing the learning from projects supported; public awareness raising and advocacy; and strengthening community organisations and the sector generally.

To collaborate or not to collaborate?

It is crucial to consider *why* we might want to collaborate. It is not just to be 'nice'. Presumably it is to achieve more effective outcomes. There are probably three main ways in which we could do that, by working together:

- To ensure we don't 'trip over' each other – that is, either waste resources, time and effort, or even undermine each other;
- To positively 'leverage' off each other, finding synergies and adding value, by combining different contributions (and I am not just referring to financial contributions here): and
- To reduce transaction or compliance costs – both for ourselves as funders and for applicants.

Iain Hines (2002:5) suggests longer term partnerships with significant commitments might be seen as worth embarking on when: funders seek to have a significant impact on a specific issue (an approach he defines as 'strategic philanthropy'); when they believes that working together can achieve more; and when greater resources are needed than they are able or willing to commit alone.

Joint funding may also be a crude 'risk management' strategy. If we fund lots of different initiatives at relatively modest amounts along with other funders, we can spread our risks and share the blame if one initiative is less successful or falls apart. From an individual funder's point of view, many modest initiatives might also be subject to less public scrutiny than a smaller number of more substantial initiatives.

In any 'cost-benefit' analysis of collaboration, we need to be aware of the costs and risks, as well as the opportunities and benefits.

Ken Gordon (2004) and Iain Hines (2002) identify a range of potential costs and risks:

- Fear (if not loathing) is often at the top of funders' concerns. There is fear of erosion of independence or autonomy, and frequently suspicion of motives of any funder taking the initiative to propose collaboration
- In particular, when working together size matters. Smaller funders may fear the Laurel and Hardie syndrome ('Laurel and Hardy were lying in bed. Laurel rolled over and Hardy was dead.'). Larger funders may fear 'the tail wagging the dog'.
- Collaboration usually involves some level of power sharing, and power sharing means giving something up.
- There are also substantial practical, operational obstacles to collaboration, such as reconciling different timeframes and funding rounds. Dealing with issues of 'authority to negotiate' (and differences about where this authority lays, both formally and *de facto*) can also slow things down and make joint action cumbersome.
- There is a risk that working together can lead to a 'lowest common denominator' or an overly conservative approach that can limit innovation or creativity.
- What looks like innocent collaboration to funders, may raise the spectre of 'collusion' or 'ganging up' from an applicant's point of view – reducing choices, opportunities and diversity of approaches available to them.
- Finally, working together always has an opportunity cost. It takes time, energy, intellectual capital and other resources that could be used elsewhere.

Making 'working together' work

Carol Lukas (2005) identifies four keys to collaboration success:

- Clarify the purpose

"However you decide to work together, it's important that everyone under-stands and agrees to the purpose of the collaboration, the degree of commit-ment required, and the expectations of partners involved in the effort."

- Let form follow function

"Just as there are different ways of working together, there are also different types of collaborations. Simpler is better. Choose the simplest form necessary to achieve your goal. Because time spent on collaboration is an addition to your regular workload, simple forms save you time."

- Involve the right people

"Do you share the same goals? Do they have the required capabilities and resources? Do they have credibility in the community? Do you have a trusting relationship? As a general rule work with as few people as necessary to get the job done. The more people involved, the greater the number of communications; the greater the intensity; and the greater the difficulty of learning about each other, balancing power, and coordinating your."

- Get it in writing

"The most common reason for a collaboration meltdown is disagreements and uncertainty about operating norm. This is why it's important to create a collaboration charter."

Hines (2002:5) concludes partnerships "need the ingredients one would expect: compatibility, communication, credibility, enthusiasm, etc. For at least one partner, they require a lot of development work. Smaller grant makers may have fewer resources to contribute but can still work in these ways, particularly if they are prepared to do less of something else."

In particular Hines highlights that longer-term partnerships with significant commitment require the people involved to build trust – which often comes out of previously working together in other types of relationships.

The following are twenty factors that the research has identified as influencing collaboration success (Winer & Ray, 1994):

Factors Related to the Environment

- History of collaboration or cooperation in the community
- Collaborative group seen as a legitimate leader in the community
- Favourable political and social climate

Factors Related to Membership Characteristics

- Mutual respect, understanding, and trust
- Appropriate cross section of members
- Members see collaboration as in their self-interest
- Ability to compromise

Factors Related to Process and Structure

- Members share a stake in both process and outcome
- Multiple layers of participation
- Flexibility
- Development of clear roles and policy guidelines
- Adaptability
- Appropriate pace of development

Factors Related to Communication

- Open and frequent communication
- Established informal relationships and communication links

Factors Related to Purpose

- Concrete, attainable goals and objectives
- Shared vision
- Unique purpose

Factors Related to Resources

- Sufficient funds, staff, materials, and time
- Skilled leadership

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