

# 2007

TROPMAN REPORTS

*Applied Research about the Pittsburgh Region's Nonprofit Sector*



THE FORBES FUNDS

# TABLE OF CONTENTS

<b>1</b>	<b>LETTER FROM THE FORBES FUNDS</b>
<b>2</b>	<b>A BRIEF HISTORY</b>
<b>3 - 10</b>	<b>STUDY #1:</b> Making the Connection: How Provider Dialogue and Network Clusters Can Spur Successful Collaboration
<b>11 - 19</b>	<b>STUDY #2:</b> Nonprofit Mergers: An Assessment of Nonprofits' Experiences with the Merger Process
<b>20 - 27</b>	<b>STUDY #3:</b> Do They See What I See...Now? Public Opinion and the Human Services Sector
<b>27 - 28</b>	<b>2002-2006 TROPMAN REPORTS LISTING</b>

**THE FORBES FUNDS** invests in research, just as we invest in organizations and people, precisely because the findings allow all of us who are concerned not only about “doing good” but also about “doing well” to act upon data and knowledge rather than anecdote and occurrence.

Around here, we emphasize the word “applied,” for we have sought to implement programs and have even adjusted our grantmaking practices based upon what our researchers have uncovered. That said, what’s more critical is that you also take action. Whether you’re an executive, trustee, grantmaker, or consultant, you will find relevant information among all the 32 TROPMAN REPORTS (as well as the special essays published by The Forbes Funds) that will advance your own practices. That’s certainly true of the three reports published herein.

We encourage you to talk about the findings with colleagues; you will undoubtedly come up with all sorts of ideas that may help you improve how you go about doing the important work you do. We promise to do the same.

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BY ENCOURAGING NONPROFITS TO WORK EFFECTIVELY, SMARTLY, AND COLLECTIVELY  
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# A BRIEF HISTORY

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*Founding Director, Elmer J. Tropman*

The Forbes Funds was established in 1982 to provide emergency financial assistance to nonprofit organizations that were experiencing funding interruptions or short-term cash flow problems. Under the leadership of our founding director, Elmer J. Tropman, The Forbes Funds also provided management consultation to small nonprofit organizations and conducted regional research to identify unmet needs in the human service sector.

The Forbes Funds provided an important service during a particularly turbulent time when many nonprofit organizations were struggling to adjust to a new domestic policy agenda as well as to significant changes in federal and state funding priorities and procedures.

By the late 1980s, while continuing to provide loan guarantees, we shifted our emphasis to long-term capacity-building in the nonprofit sector. During this time, The Forbes Funds focused on helping nonprofits improve administrative skills and infrastructure, with special emphasis on long-range planning and strategic management. Through our grantmaking, we helped nonprofit organizations secure technical assistance to address such matters as strategic planning, financial management, and board governance.

Beginning in 1996, The Forbes Funds advanced efforts to support management capacity-building and strategic planning, while also addressing such sector-wide issues as inter-agency partnerships and mergers. Additionally, we provided support for local universities and colleges to train nonprofit staff and boards.

Beginning in 2001, The Forbes Funds embarked on an ambitious strategy to enhance the management capacity of the nonprofit sector, especially human service and community development organizations, through three complementary activities: grantmaking; applied research; and sector leadership activities.

Today, we support capacity-building initiatives for human service and community development agencies; fund research critical to responsive, innovative, and sound nonprofit management; and encourage and celebrate exemplary practices in the nonprofit sector.

2007

## TROPMAN REPORTS

*Applied Research about the Pittsburgh Region's Nonprofit Sector*

THE FORBES FUNDS

Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, THE FORBES FUNDS advances capacity-building within and among the region's nonprofit organizations.

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## MAKING THE CONNECTION: *How Provider Dialogue and Network Clusters Can Spur Successful Collaboration*

Tim Weidemann and Chris Sweeney  
Fairweather Consulting and 3 Rivers Connect

### RESEARCH ABSTRACT

Year after year, nonprofit human service providers experience mounting pressure to do more with less – manage more cases with fewer caseworkers, achieve higher standards of quality with less government and private sector support, improve client outcomes in broader communities with constant or diminishing resources. These challenges and others facing providers today are often bigger than any single agency or program, and they require a correspondingly multi-faceted solution. A formal collaborative structure can be a way for providers to respond to these challenges. However, many attempts to collaborate fail to achieve the expected results. In other cases, providers decide not to attempt collaboration, meaning that promising collaborative opportunities go unrealized.

### BACKGROUND

In 2005, The Forbes Funds commissioned a report called *Service Clustering: Building Cohesive Public Service Capacity* that described collaboration as a way to achieve greater efficiency through shared back-office or non-mission critical functions without reducing consumer choice. The researchers argued that collaboration could best be induced by focusing on providers that are geographically close together and that provide an overlapping set of services. According to the report, “It is easier to share, communicate, and collaborate with your neighbor than with an organization separated by distance.”<sup>1</sup>

Though this idea is compelling, it has become clear in the years since the 2005 report that the identification of geographic clusters is not sufficient to inspire a host of new collaborations. Formal collaboration, the kind suggested in the past report and the focus of this work, remains a relatively rare phenomenon.<sup>2</sup> Convinced that collaboration continues to promise greater efficiency and effectiveness when successfully implemented, The Forbes Funds revisited the topic this year, hoping to gain further insight into the factors that make collaboration successful and to identify additional clusters of providers that could provide the greatest potential for collaboration.

1 Hill Group, The, “Service Clustering: Building Cohesive Public Service Capacity,” 2005 Tropman Reports, Volume 4, Number 4, The Forbes Funds: Pittsburgh, 2005, 27.

2 Collaboration Focus Groups, August 20 – 23, 2007, participants listed in the full research report. Our participants confirmed that there have been relatively few successful collaborations in the past, under our definition of collaboration.

**ASSUMPTIONS AND DEFINITIONS**

The term “collaboration” is often used as a synonym for cooperation, coordination or partnership. However, collaboration is different from these other forms of working together, and has been the subject of numerous studies over the past several decades. The definition assumed throughout this report is provided below:

*Collaboration is a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals.*

*The relationship includes a commitment to mutual relationships and goals; a jointly developed structure and shared responsibility; mutual authority and accountability for success; and sharing of resources and rewards.<sup>3</sup>*

Similarly, the term “cluster” is applied to a variety of situations, and suffers from frequent misuse. In our work, clusters are groups of agencies, programs or people that share some common trait, such as geographical proximity or co-membership in an organization’s board of directors. This definition is broader than, but consistent with, Michael Porter’s concept of “industry clusters,” as well as definitions from other disciplines.<sup>4</sup>

**RESEARCH QUESTIONS AND METHODS**

The two critical issues that form the focus of this report are “What makes collaboration successful?” and “What groups or clusters of providers have the greatest potential for success?” Within our study group, we sought to address these issues by finding the answers to five related research questions, which are listed in Figure 1.

Our primary means for gathering answers to these questions were: anecdotal evidence from focus group participants, responses to questions on collaboration in this year’s Campos Survey of Nonprofit Executives, a review of literature on successful collaboration, and cluster and network analyses of data from HumanServices.net and GuideStar.org. The complete details about each of these methods – including a full list of focus group participants, responses from the Campos survey, and additional outcomes from our analyses – are described in the full version of our research report.

**FIGURE 1.** To understand what makes collaboration work and which agencies are most likely to succeed, we used several research methods to address our five questions.

RESEARCH QUESTIONS		RESEARCH METHODS	
COLLABORATION	<b>QUESTION 1</b> What is collaboration, and how is it related to the concept of clusters?	★	LITERATURE REVIEW
	<b>QUESTION 2</b> What does it take to create and sustain successful collaborations?	●	PROVIDER FOCUS GROUPS
	<b>QUESTION 3</b> What are the motivating factors that lead agencies to collaborate?	■	CAMPOS SURVEY
CLUSTERS	<b>QUESTION 4</b> What kinds of clusters are the most meaningful ‘predictors’ of successful collaboration?	+	NETWORK/ CLUSTER ANALYSIS
	<b>QUESTION 5</b> What meaningful clusters are present in our study group?		

The prior research assumed that geographical clusters identify a unique opportunity “to create synergies, increase productivity, and support economic advantages.”<sup>5</sup> In the current research effort, we have expanded this assumption. Whether or not two providers will choose to take advantage of the value that collaboration offers is difficult to predict, but it is very likely that the decision involves much more than geographic proximity. Instead, we look to other research on collaboration to determine the factors that can be used to identify clusters of providers with the greatest likelihood to work together successfully.

**STUDY GROUP SELECTION**

To permit thorough analysis and produce actionable results, we began the research by selecting a study group of 364 providers. The selection process took into account a variety of factors, including the quality and availability of data, key priorities of both the United Way<sup>6</sup> and the Allegheny Department of Human Services<sup>7</sup>, and our research team’s assessment of each group’s readiness for collaboration, as indicated by the frequency of past cooperation and coordination within the group.

3 Mattessich, Paul W., Marta Murray-Close, Barbara R. Monsey, and the Wilder Research Center, Collaboration: What Makes It Work, Second Edition, Featuring: The Wilder Collaboration Factors Inventory. Fieldstone Alliance: St Paul, 2001, 4.

4 Porter, M. 2001. “Cluster of Innovation: Regional Foundations of U.S. Competitiveness.” Council of Competitiveness, Washington, D.C.

5 Hill Group, The, “Service Clustering: Building Cohesive Public Service Capacity,” 2005 Tropman Reports, Volume 4, Number 4, The Forbes Funds: Pittsburgh, 2005, 22.

6 From the United Way’s 2006-07 Community Needs Assessment, prepared by the University of Pittsburgh Office of Child Development.

7 As conveyed through discussions with Bob Stump, and in alignment with DHS’s Integrated Children’s Services Plan

Weighing these factors, we selected 92 agencies with at least one program that focused on workforce-related services for youth age 16 to 24. To complement this Youth Workforce system of providers, and again using the selection criteria described above, we identified an additional 272 agencies that focus on housing services and that have at least one program that serves youth age 16 to 24.

The 364 agencies, along with the 943 Youth Workforce and Youth Housing programs that they operate, were the primary focus of most of the analyses described in this report. The data for these agencies and programs was gathered from 3 Rivers Connect's (3rc) HumanServices.net database, and with 3rc's assistance, this data was manually filtered down to 58 agencies – the 'key players' in Youth Workforce and Youth Housing. Of these, 9 Youth Workforce agencies and 9 Youth Housing agencies attended separate focus group meetings on August 21st and 22nd to discuss barriers to and opportunities for collaboration. A total of 16 of the 58 agencies also attended a combined focus group on August 23rd, where the group explored opportunities for collaboration across the two systems. Lists of meeting invitees and participants, as well as an outline of the material covered during each focus group meeting, are included in our full research report.

#### **RESEARCH FINDINGS**

Our research shows that opportunities for collaboration within our study group abound, but that transforming those opportunities into examples of successful collaboration is a difficult endeavor. The decision to engage in collaboration requires providers to weigh the potential benefits, including increased program effectiveness and operating efficiency, with the costs, including time invested by key staff, resources consumed in establishing and maintaining the effort, and the opportunity cost of dedicating these resources to collaboration rather than program activities. In some cases, the balance between costs and benefits can easily be tipped toward a justification of collaboration by an investment from providers or funders, while other situations might require greater investments or a deeper investigation of the short- and long-term benefits and costs that collaboration involves. With targeted assistance from funders and a continued strengthening of networks among providers, however, it is likely that Allegheny County will see more successful collaboration in the future, and that providers and their clients will benefit from the increases in efficiency and effectiveness that follow.

#### **Question 1: What is collaboration, and how is it related to the concept of clusters?**

Collaboration, as it is usually defined in research literature, is a link between two providers that involves not just occasional cooperation, but a formal structure for mutual responsibility and sharing of resources and rewards. If we want to encourage this relationship, we need to be able to identify situations in which it is likely to emerge and succeed. As suggested in the 2005 Tropman study, one way to do this is by looking at groups of providers that share some common traits. We refer to these groups as clusters, and we discuss which common traits are good 'predictors' of collaboration in our findings related to Question 4.

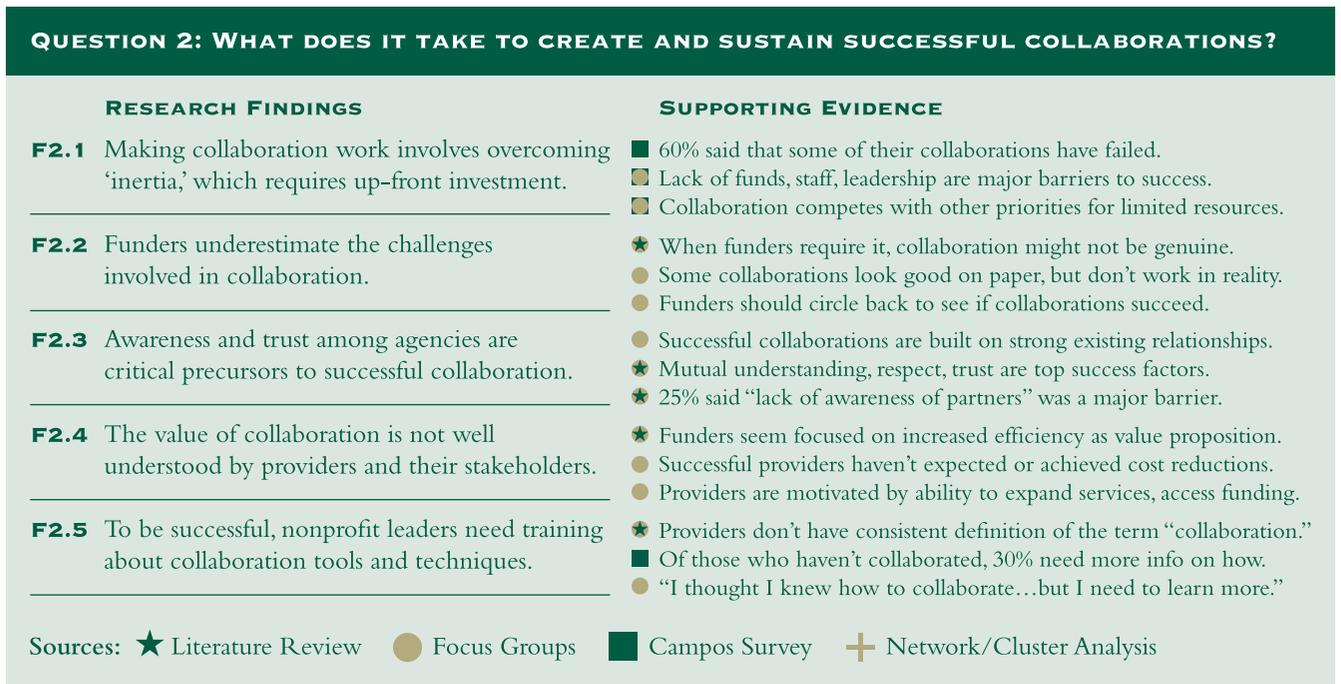
#### **Question 2: What does it take to create and sustain successful collaborations?**

Nonprofits can benefit from collaboration in a number of ways, yet the number of successful collaborations in Allegheny County remains low. To discover why successful collaboration is so rare, we first assembled a group of five providers that had been involved in recent, high-profile collaborations, inviting them to participate in the first of our focus groups – a discussion of lessons learned. Subsequently, we also gathered responses to this research question during our remaining three focus groups and through the Campos Nonprofit Executive Survey. The findings are summarized in Figure 2.

#### **Question 3: What are the motivating factors that lead agencies to collaborate?**

There are several reasons for collaboration, and knowing what motivates providers to collaborate is an important step towards fostering an increase in successful collaborations. If the perceived costs to providers outweigh the perceived benefits, it is unlikely that collaboration will occur. As such, there are two roles that funders and other agencies can play in order to increase the frequency of collaboration: they can either create new incentives for collaboration by decreasing the associated costs or increasing the associated benefits, or they can work to better inform providers of the true costs and benefits of collaboration, allowing providers to make better decisions about when and why to collaborate.

**FIGURE 2.** What does it take to create and sustain successful collaboration? Our research identified five key findings that together help organizations to define and achieve success in their collaboration.



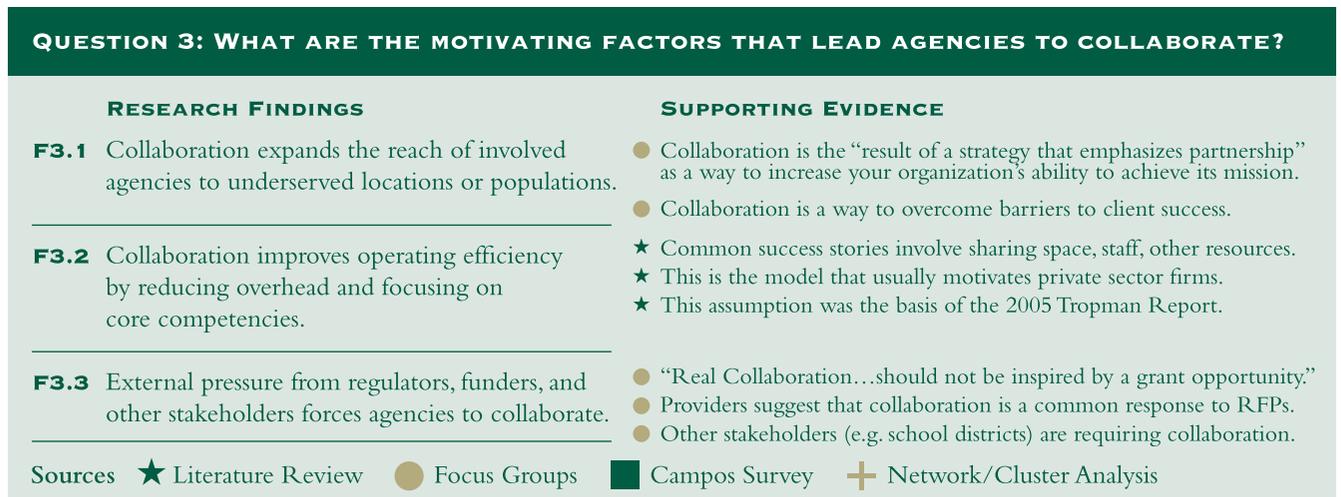
However, in order to motivate providers toward successful collaboration, funders must strike a careful balance between creating healthy incentives that increase the benefits or decrease costs and establishing funding requirements or guidelines that simply promote the “appearance of collaboration.”

*As grantmakers encourage or demand collaborative action on the part of their grantees, they receive one of two possible responses. The first, and apparently the most common response, is for the grantees to create the “appearance of collaboration”...*<sup>8</sup>

From our focus groups, it appears that providers are most commonly motivated by the ability of collaboration to

expand the reach of their services to new populations or communities and by the ability to gain or retain access to funding sources. Funders, on the other hand, seem to place a greater emphasis on collaboration as a tool for reducing costs associated with overhead or back-office functions. To bring about more real collaboration, funders need to understand that increased programmatic reach is a powerful incentive for providers, and providers need to gain a more sophisticated appreciation of the potential benefits that collaboration entails, particularly as a way to reduce overhead associated with back-office functions.

**FIGURE 3.** What motivates providers to collaborate? It's not as simple as past research suggests, and providers and funders might not agree on the incentives for collaboration.



<sup>8</sup> See La Piana, D. “Real Collaboration: A Guide for Grantmakers,” 2001, for a detailed discussion of the drawbacks of collaboration that is motivated by an RFP: <http://www.lapiana.org/downloads/RealCollaboration.PDF>

**Question 4: What kinds of clusters are the most meaningful ‘predictors’ of successful collaboration?**

Returning to the idea that clusters can help us identify providers that have the greatest potential to develop successful collaborations, we focused first on defining the kinds of clusters that might be good ‘predictors.’ In the 2005 research report, geographic proximity, service overlap and similar missions were the bases upon which providers were analyzed and clusters identified.

However, while these factors may be important in some ways, we reviewed the literature on collaboration to come up with other, more promising ways of grouping providers that might better indicate an opportunity for collaboration. The common traits that form the bases for our clusters are described in Figure 4.

**Question 5: What meaningful clusters are present in our study group?**

The previous section suggests several types of clusters that should be examined in order to identify groups of providers that are most likely to benefit from collaboration. Although data availability is an issue that prevents some interesting and potentially valuable analyses, we were able to supplement the data in HumanServices.net with data purchased from GuideStar.org in order to complete the network and cluster analyses described in Figure 5. Since cluster analysis is a very technical process, this abstract presents only a high-level summary and does not describe the analytical techniques and tools used to complete these analyses.

A much more thorough discussion, which includes maps and diagrams that describe the clusters we identified, is included in our full report.<sup>9</sup>

**RECOMMENDATIONS**

The previous sections have explained both the research questions we sought to explore and the findings associated with those questions. In the remaining portions of this report, we attempt to translate these research findings into a set of recommended actions that various stakeholders interested in the health of Allegheny County’s nonprofit sector might take in response to our conclusions.

**SYSTEM-SPECIFIC ACTION STEPS**

In this category of recommendations we present several concrete Action Steps for the establishment of specific collaborations based on the input from our focus group participants, which we believe could provide the small wins that encourage continued commitment to the notion of collaboration. These are ideas that emerged during the discussion of ways to use collaboration to overcome barriers that prevent successful outcomes for the clients who consume Youth Workforce and Youth Housing services.

**FIGURE 4.** What kinds of clusters are the most meaningful 'predictors' of success? To find groups of providers that are well-positioned to collaborate, we need to look beyond geographic proximity and mission-similarity.

QUESTION 4: WHAT KINDS OF CLUSTERS ARE THE BEST ‘PREDICTORS’ OF SUCCESSFUL COLLABORATION?	
RESEARCH FINDINGS	SUPPORTING EVIDENCE
<b>F4.1</b> Clusters based on geographical proximity can be a proxy for other collaboration-supporting traits.	<ul style="list-style-type: none"> <li>★ Co-location might mean similar clients and a shared collaboration vision.</li> <li>★ Open, frequent communication is more likely, and is a key to success.</li> <li>★ But, providers don’t need to be close together in order to collaborate...</li> </ul>
<b>F4.2</b> Clusters based on service overlap suggest a shared vision that can increase the chances of success.	<ul style="list-style-type: none"> <li>★ Service overlap suggests that providers see eye to eye on key issues.</li> <li>★ Similar services suggests mutual understanding, respect and trust.</li> <li>★ But, service overlap might also signal potential competition...</li> </ul>
<b>F4.3</b> Clusters based on common board membership identify providers that have existing links to build on.	<ul style="list-style-type: none"> <li>★ Shared board members can be a ‘bridge’ to bring providers together.</li> <li>✳ Board often plays an important leadership role in collaboration.</li> <li>✳ Prior link between providers is an important precursor to collaboration.</li> </ul>
<b>F4.4</b> Clusters based on past collaboration and awareness show areas of great promise and great need.	<ul style="list-style-type: none"> <li>★ Best ‘predictor’ of future success is past success.</li> <li>✳ You can’t collaborate with a provider you don’t know.</li> <li>✳ 25% of survey said “lack of awareness” prevents collaboration.</li> </ul>
<p>Sources: ★ Literature Review   ● Focus Groups   ■ Campos Survey   + Network/Cluster Analysis</p>	

<sup>9</sup> The primary reference for our network analysis techniques is: Wasserman, Stanley and Katherine Faust, Social Network Analysis: Methods and Applications, Cambridge University Press: New York, 1994. Cluster analyses were performed and diagrams were produced using UCINET: Borgatti, S.P., Everett, M.G. and Freeman, L.C Ucinet for Windows: Software for Social Network Analysis. Harvard, MA: Analytic Technologies, 2002.

**FIGURE 5.** What meaningful clusters are present in our study group? We used network and cluster analysis to find four different types of clusters that may be promising 'predictors' of successful collaboration.

QUESTION 5: WHAT MEANINGFUL CLUSTERS ARE PRESENT IN OUR STUDY GROUP?	
RESEARCH FINDINGS	SUPPORTING EVIDENCE
<b>F5.1</b> 'Narrow' geographical clusters show groups within cities, while broader clusters align with neighborhoods.	<ul style="list-style-type: none"> <li>+ 'Narrow' approach identified 8 clusters, mainly in downtown Pittsburgh.</li> <li>+ 'Broad' approach separated Allegheny County providers from outliers.</li> <li>+ In-between, groups correspond roughly to municipalities/neighborhoods.</li> </ul>
<b>F5.2</b> Service clusters show groups of providers that offer same set of services, plus 'diversified' providers.	<ul style="list-style-type: none"> <li>+ Homogenous cluster of providers with &gt;6 of the same services emerges.</li> <li>+ 'Diversified' providers act as intermediary between homogenous groups.</li> <li>+ A small group (&lt;10 providers) offered an entirely unique set of services.</li> </ul>
<b>F5.3</b> Board membership shows clusters of parent/subsidiary organizations and other, unexplained clusters.	<ul style="list-style-type: none"> <li>+ Many organizations are linked by one or more common board members.</li> <li>+ Some pairs with &gt;3 common board members are parent/subsidiaries.</li> <li>+ Other clusters with &gt;3 common board members are harder to explain.</li> </ul>
<b>F5.4</b> Past collaboration and awareness highlights differences between Housing and Workforce groups.	<ul style="list-style-type: none"> <li>⊕ Awareness between YH providers is higher than between YW providers.</li> <li>⊕ Collaboration between YW providers is &gt; than between YH providers.</li> <li>⊕ YH providers collaborate more with YW providers than with other YH.</li> </ul>

Sources: ★ Literature Review ● Focus Groups ■ Campos Survey + Network/Cluster Analysis

**FIGURE 6.** Three system-specific Action Steps evolved from the focus group discussion on barriers to client success. The Forbes Funds should act on these collaborative opportunities.

ACTION STEPS	OBJECTIVES	STAKEHOLDERS				
		YOUTH WORKFORCE	YOUTH HOUSING	CLIENTS	LOCAL GOVERNMENT	OTHER
<b>RECOMMENDATIONS: SYSTEM-SPECIFIC ACTION STEPS</b> Create a collaborative approach to managing links between employers and Youth Workforce providers. Develop a shared, end-to-end 'older youth' case management system. Create a Housing-Workforce collaboration to build and staff independent living apartments.	Create a collaborative intermediary that can act as a channel through which employers and work-force providers communicate and gather input.	✓		✓		✓
	Support county- and state-level efforts to build integrated eligibility and case management systems in order to prevent kids from 'slipping through the cracks.'	✓	✓	✓	✓	✓
	Bring together a broad group of housing & work-force providers to build, staff and operate new independent living apartments for older youth.	✓	✓	✓	✓	

The impact of these recommendations could be high; if even one of these collaborations takes root and thrives, it would represent a dramatic increase in successful collaboration. On the other hand, since these recommendations represent only the broadest sketch of the proposed collaboratives, there is much additional discussion and planning required before the ideas become reality. These Action Steps present a powerful opportunity for foundations and major funders; each of these recommendations already has the support of the agencies that proposed it and might require only a modest investment in order to flourish.

**RECOMMENDATIONS TO STRENGTHEN THE COLLABORATIVE ENVIRONMENT**

If the relationships between agencies are a reflection of the environment in which they operate, then there should be no surprise if fragmentation is high and collaboration between Allegheny County's nonprofits is challenging. With the highest number of government entities per capita in the country, Southwestern Pennsylvania is clearly a highly fragmented region, and all that structural fragmentation can make it hard to collaborate. Yet, while municipal cooperation and consolidation is a frequent topic of conversation and examination, the same concepts do not always resonate in the nonprofit community.

**FIGURE 7.** In order to make successful collaboration more common, providers need to build and leverage their professional networks and identify the organizational barriers that prevent collaboration.

RECOMMENDATIONS FOR PROVIDERS	INCENTIVES
<b>R1.1</b> Build mutual awareness and trust at all levels through networking.	<span data-bbox="699 367 740 400">F2.3</span> <span data-bbox="745 367 786 400">F4.4</span> <span data-bbox="699 393 740 426">F5.4</span> Although networking is sometimes considered a chore, providers with strong networks at all levels (not just Executive Directors) are in a better position to engage in and benefit from collaboration.
<b>R1.2</b> Develop clear explanations of the barriers that prevent successful collaboration.	<span data-bbox="699 466 740 499">F2.1</span> <span data-bbox="745 466 786 499">F2.2</span> <span data-bbox="699 493 740 526">F2.4</span> <span data-bbox="745 493 786 526">F2.5</span> Collaboration can be difficult, but some providers are successful. In order to get the help they need, providers must clearly articulate the barriers that prevent them from collaborating.
<b>R1.3</b> Leverage shared board members as a ‘bridge’ that links providers to new opportunities for collaboration.	<span data-bbox="699 566 740 599">F2.3</span> <span data-bbox="745 566 786 599">F4.3</span> <span data-bbox="699 592 740 625">F5.3</span> Shared board members are common. Some providers may already make use of this connection, but others could use this overlap to learn more about, and possibly collaborate with, new partners.
<b>R1.4</b> Providers in collaborations should develop ways to measure benefits in terms of efficiency and effectiveness.	<span data-bbox="699 687 740 721">F2.4</span> <span data-bbox="745 687 786 721">F3.1</span> <span data-bbox="699 714 740 747">F3.2</span> <span data-bbox="745 714 786 747">F3.3</span> <span data-bbox="699 741 740 774">F4.4</span> Collaborations that are driven solely by a funding opportunity rarely succeed, but quantifiable benefits are not usually documented. Successful collaborations should document their outcomes.

F#.# OR F#.# = related research findings

Because the communities in which agencies operate are often highly fragmented, it is important to consider long-term solutions that seek to create a more conducive environment for collaboration. Collaboration always involves an initial and continuing investment, but there are many ways to reduce the inertia that prevents agencies from engaging in collaboration more frequently. The following series of recommendations is designed to help the provider community better understand the networks through which it operates and effectively use that knowledge to improve its effectiveness and efficiency through successful collaboration.

In addition to these recommendations, there are specific actions that capacity-building organizations like The Forbes Funds can undertake in order to increase the amount of successful provider collaboration that takes place in Allegheny County. These recommendations are summarized in Figure 8.

Finally, our research supports several additional general recommendations that, if implemented, could create an environment in Allegheny County that is more conducive to collaboration. As well, by expanding the resources available for performing network analyses and identifying collaboration clusters, these recommendations provide funders and nonprofits with tools that can be used to target their resources to generate the greatest possible Return on Investment (ROI).

**FIGURE 8.** Capacity-building grantmakers like The Forbes Funds can play an important role by helping organizations develop the skills and abilities that make collaboration work.

RECOMMENDATIONS FOR CAPACITY-BUILDING GRANTMAKERS	INCENTIVES
<b>R2.1</b> Issue Management Assistance Grants to support the Action Steps resulting from focus groups.	<span data-bbox="699 1608 740 1641">F2.1</span> <span data-bbox="745 1608 786 1641">F5.4</span> The Action Steps in our report offer concrete opportunities for collaboration, and through relatively small grants, The Forbes Funds has the opportunity to create important new examples of success.
<b>R2.2</b> Issue a Cohort Grant to create a ‘Collaboration Toolkit’ for executives, board members & staff.	<span data-bbox="699 1729 740 1762">F2.4</span> <span data-bbox="745 1729 786 1762">F2.5</span> <span data-bbox="699 1756 740 1789">F3.1</span> <span data-bbox="745 1756 786 1789">F3.2</span> A lack of knowledge prevents success and perpetuates the sense that collaboration isn’t worth the effort. Staff at all levels of the organization contribute and could benefit from tools & techniques.
<b>R2.3</b> Leverage past and future successes by creating a team of ‘Collaboration Champions.’	<span data-bbox="699 1851 740 1884">F2.1</span> <span data-bbox="745 1851 786 1884">F2.3</span> <span data-bbox="699 1877 740 1911">F2.4</span> <span data-bbox="745 1877 786 1911">F2.5</span> <span data-bbox="699 1904 740 1937">F4.4</span> <span data-bbox="745 1904 786 1937">F5.4</span> To the extent that The Forbes Funds supports collaborations, the people involved in them should be willing to serve as exemplars, sharing their expertise to encourage and support further successes.
<b>R2.4</b> Replicate our research with other providers to access collaboration readiness and gather ideas, data.	<span data-bbox="699 1928 740 1962">F4.4</span> <span data-bbox="745 1928 786 1962">F5.4</span> Our research focused on Youth Workforce and Housing providers, but the lessons learned are broadly applicable. More ideas and opportunities are sure to arise as this discussion is expanded.

F#.# OR F#.# = related research findings

**FIGURE 9.** Other foundations and major funders can use network and cluster analysis, combined with valuable provider input, to invest intelligently in collaboration-building.

RECOMMENDATIONS FOR OTHER FUNDERS AND AGENCIES	INCENTIVES
<p><b>R3.1</b> Incorporate the results of our cluster analyses into the HumanServices.net database.</p>	<p><b>F5.1</b> <b>F5.2</b> <b>F5.3</b> <b>F5.4</b></p> <p>Our research has identified a series of clusters, which may be interesting and useful to providers, funders, and future researchers. To facilitate future use, our results should be included in HS.net.</p>
<p><b>R3.2</b> Purchase additional data to facilitate future network and cluster analyses.</p>	<p><b>F4.2</b> <b>F4.3</b> <b>F4.4</b> <b>F5.2</b> <b>F5.3</b> <b>F5.4</b></p> <p>The data requirements of network and cluster analysis are unique, and very little of the data currently available is useful in this type of analysis. Additional data can and should be purchased for future use.</p>
<p><b>R3.3</b> Create a ‘map’ to identify critical connections that influence the success of collaboration.</p>	<p><b>F4.1</b> <b>F4.2</b> <b>F4.3</b> <b>F5.1</b> <b>F5.2</b> <b>F5.3</b></p> <p>Just like a real map, the collaboration map makes it easier to talk about the links between providers and how they influence or predict collaboration. To invest wisely, funders and providers need a map.</p>
<p><b>R3.4</b> Target grantmaking on ‘critical connections’ identified through network analysis and agency input.</p>	<p><b>F5.1</b> <b>F5.2</b> <b>F5.3</b> <b>F5.4</b></p> <p>Network and cluster analysis are powerful tools that identify collaboration opportunities &amp; challenges. Combined with provider dialogue, they help funders maximize Return on Investment (ROI).</p>

**F#.#** OR **F#.#** = related research findings

Combined, these recommendations suggest a series of steps – both short-term and long-term – that The Forbes Funds and other organizations can take to improve both the frequency and success of collaborations between providers. In the short term, our research identifies three Action Steps that represent concrete opportunities for future collaboration. In the long term, we have identified 12 strategies that will eliminate some of the barriers that prevent collaboration by improving providers’ capacity for engaging successfully with their peers and increasing providers’ and funders’ knowledge of the networks and connections that facilitate collaboration.

Collaboration is not the answer to every challenge that human service providers face, but, in an increasingly complex world, collaboration will often be part of the solution.

In most cases, we understand very little about how to encourage collaboration, though we know that to be successful it cannot be coerced with funding or other requirements. Instead, as we have explained, collaboration arises organically, through the interconnected web of relationships that providers and their employees – board members, directors, and program staff alike – weave. In order to outgrow what La Piana referred to as the ‘appearance of collaboration’ and to leverage the power of true collaboration, we must work to understand and strengthen these webs in focused, intelligent ways. Only then will funders find effective ways to encourage real collaboration, providers discover the true costs and benefits that hinder or justify collaboration, and clients enjoy the improved service quality and lower costs that collaboration can offer.

2007

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## NONPROFIT MERGERS:

### *An Assessment of Nonprofits' Experiences with the Merger Process*

Dewey and Kaye

An increasing number of nonprofit organizations are exploring mergers – the process by which at least two nonprofit corporations join to form one legal entity. Yet, little is known about nonprofits' experiences with the merger process.<sup>1</sup> What leads nonprofits to explore a merger and what outcomes do they expect to achieve as a result? Who within the organization is typically involved in facilitating the merger? How long do mergers take to complete, what do they cost and, above all, what are the results? Drawing on the experiences of 22 nonprofit organizations in Allegheny County that explored, attempted or completed a merger, combined with a comprehensive literature review, this report seeks to answer those questions and provide recommendations that nonprofits and funders can use to inform their conversations about the merger process.

#### ASSUMPTIONS AND DEFINITIONS

The term “merger,” as it is defined throughout this report, refers to the process by which at least two nonprofit corporations join to form one legal entity. A merger can be further defined as a process that results in the lead nonprofit corporation becoming legally responsible for the assets and liabilities of the acquired nonprofit. The term “merger” also refers to those rarer instances in which at least two nonprofit corporations dissolve in order to form one new nonprofit corporation.

The term “merger exploration” refers to all activities leading up to a board's (and/or membership, if applicable) vote to complete a legally binding merger. This study, however, considers all phases of the merger process, including initial merger exploration, the legal enactment of the merger and post-merger integration. A detailed diagram showing each step in the merger process can be found in our full report.

It is also worth noting that the 2003 Tropman Report, *Strategic Restructuring: A Tool for Improving Organizational Effectiveness*, discusses mergers as one of several restructuring options that nonprofits may implement in order to improve their organizational effectiveness. For the purposes of this report, however, a detailed analysis of other types of restructuring, such as collaboration and strategic alliances, is not included as it was not within the scope of our research. The reader should refer to the 2007 Tropman Report, *Making the Connection: How Provider Dialogue and Network Clusters Can Spur Successful Collaboration*, and the aforementioned 2003 Tropman Report for more information on collaboration and other types of strategic restructuring.

1 LaPiana, David. *Strategic Restructuring: A Tool for Improving Organizational Effectiveness*. The Forbes Funds, Tropman Applied Research Report. 2003. This report identified several key factors driving nonprofits' interest in exploring mergers as an option for improving their organizational effectiveness. However, only 3 merged organizations were included in the study sample.

**RESEARCH QUESTIONS AND METHODS**

The critical issue that forms the basis of this report is “*What are nonprofits’ experiences with the merger process?*” We sought to address this issue by finding answers to the 5 research questions that are listed in Figure 1 below.

**FIGURE 1.** What are nonprofits’ experiences with the merger process? We used several research methods to address our five research questions.

RESEARCH QUESTIONS		RESEARCH METHODS	
<b>QUESTION 1</b>	How do merger opportunities typically emerge?	★	<b>LITERATURE REVIEW</b>
<b>QUESTION 2</b>	Why are merger opportunities undertaken?		
<b>QUESTION 3</b>	What are the roles of staff, board and outside technical assistance in the merger process?	●	<b>FOCUS GROUPS</b>
<b>QUESTION 4</b>	How long does the merger process typically last?	■	<b>SURVEY</b>
<b>QUESTION 5</b>	What are typical results of the merger process?		

The Dewey and Kaye team used several data collection methods to obtain answers to these five research questions, including in-depth focus group sessions, an online questionnaire and a comprehensive literature review.

In the spring of 2007, Dewey & Kaye distributed a Request for Information (RFI) about nonprofits’ experiences with the merger process to nonprofit personnel and board members in the southwestern Pennsylvania region. Over 50 individuals responded with stories of merger explorations, pending mergers, completed mergers and failed merger attempts. From this group, 22 individuals who represented 22 different nonprofit organizations responded to a call to participate further in the research process. All 22 nonprofit leaders participated in a focus group to solicit insights into the merger exploration process; 21 of these nonprofit leaders completed an online questionnaire soliciting general information about their experience with the nonprofit merger process. The full list of organizations who participated in this study can be found in our full research report.

The observations from the focus groups, responses to the online questionnaire and the literature review inform the findings and recommendations outlined in this report. It is worth noting that the literature review revealed a lack of quantitative studies of nonprofit mergers, either on a regional or national level, making comparison difficult. The field still relies primarily on case studies, the experience of consultants, and other qualitative data.<sup>2</sup>

It is also important to note that the study group for this report was not convened by randomly selecting a sample of those nonprofit organizations in Allegheny County that have explored or completed a merger. As such, the results of this study are not statistically significant. The use of statistics in this report (i.e., “95% of study participants said”) is only intended to make it easier for the reader to interpret the research findings.

**RESEARCH FINDINGS**

**Question 1: How do merger opportunities typically emerge?**

Even the most complicated mergers begin with a conversation. For the majority of study participants, this conversation was more of an ongoing dialogue between two or more nonprofits that knew each other well, and were looking for ways to build on their previous successes working together. In just over half of the cases (57%), the potential partners had substantial involvement with each other prior to the merger exploration. Most frequently, those relationships involved a program alliance or collaboration (75%). Indeed, this finding parallels another 2007 Tropman Study finding that sustaining an even less formal collaborative project requires a strong level of awareness and trust between participating organizations.<sup>3</sup>

But who is leading the conversation? In almost 2 out of 3 cases, the decision to explore a merger was driven primarily by staff, and typically by the executive director. Several participants in the focus groups observed that leadership transition, particularly of the executive director, precipitated and increased the urgency of the merger conversation.

2 Gammal, Denise L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.

3 Fairweather Consulting and 3 Rivers Connect. Making the Connection: How Provider Dialogue and Network Clusters Can Spur Successful Collaboration. The Forbes Funds, Tropman Applied Research Report: 2007.

**FIGURE 2.** How do merger opportunities typically emerge? Merger partners typically have existing relationships and executive directors are the ones leading the merger conversation.

QUESTION 1: HOW DO MERGER OPPORTUNITIES TYPICALLY EMERGE?	
RESEARCH FINDINGS	SUPPORTING EVIDENCE
<b>F1.1</b> Familiarity is a strong factor in the decision to merge.	■ 57% of organizations already had strong ties with their potential partner.
<b>F1.2</b> Existing alliances/ collaborations tend to serve as the basis for exploration.	■ 75% of previous relationships involved program alliances or collaboration.
<b>F1.3</b> Leadership transitions are a good time to explore mergers.	★ Leadership questions are key in mergers; vacancy of leadership reduces challenges about deciding who will lead the merged organization. ■ “A similar-sized organization lost its executive director and we felt it would be a good time to open the discussion of a possible merger of some kind since the agencies share similar missions, staff size, and programming.”
<b>F1.4</b> Executives most often begin the merger exploration.	■ 62% of merger explorations were driven by staff, most often the ED. ● “Our process started as a dialogue between staff, and then advanced to looking for joint funding. It proceeded to the eventual merger after the other group began succession planning.”
Sources: ★ Literature Review   ● Focus Groups   ■ Survey	

**Question 2: Why are merger opportunities undertaken?**

There are many factors driving nonprofits’ interest in exploring mergers as an option for improving their management capacity. Salient environmental factors – including reduced government and foundation funding, external funder pressure to increase the effectiveness of their grantmaking, and increased competition from nonprofit and private sector organizations – likely create the setting for merger explorations.<sup>4</sup> When asked, however, about their *primary* reason for pursuing a merger, the majority of study participants said it was to increase their organization’s reach or mission impact. Others said it was to increase their organization’s capacity to compete for funding or to save one of the merged entities from financial failure, respectively. Interestingly, these responses do not support the notion that organizations merge (or should merge) primarily to cut costs or reduce administrative overhead – factors that tend to be most appealing to funders and advocates for sector consolidation. Interviews of 200 organizations conducted by Denise Gammal reached the same conclusion: mission is most often a primary driver in nonprofit mergers.<sup>5</sup>

Nevertheless, cost savings is clearly a significant consideration, since it was included by two-thirds of the participants when asked to list *all* of the reasons they chose to explore a merger.

Detailed charts showing the percentage break out of participant’s responses to the question about anticipated results of the merger (primary and all) can be found in our full report.

**Question 3: What are the roles of staff, board and outside technical assistance in the merger process?**

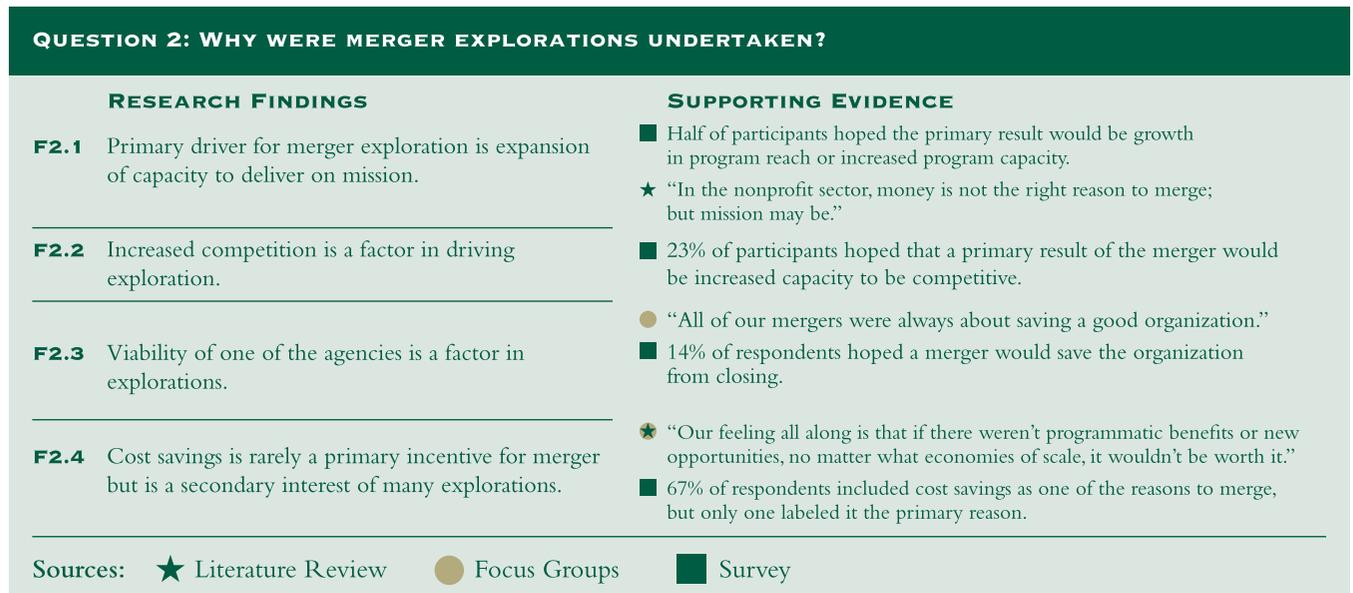
Merger explorations and processes require intensive time and attention from leadership. In over half of the organizations, the only staff members involved in the process were the executive director and other key leadership staff (i.e., finance, program or operations directors). For the 43% of organizations that engaged all staff in the process, examples of staff involvement include creating operational plans and developing communications plans to share with constituents post-merger.

In all cases, members of the board of directors voted on whether or not to proceed with the full merger. Beyond this vote board members’ involvement varied, in some cases the board guided and managed selection of a merger partner; in others, it voted on staff recommendations for specific steps or action plans. Whether they were involved early on in the process, or only after the merger decision was made, board members played a significant role in over 60% of the cases.

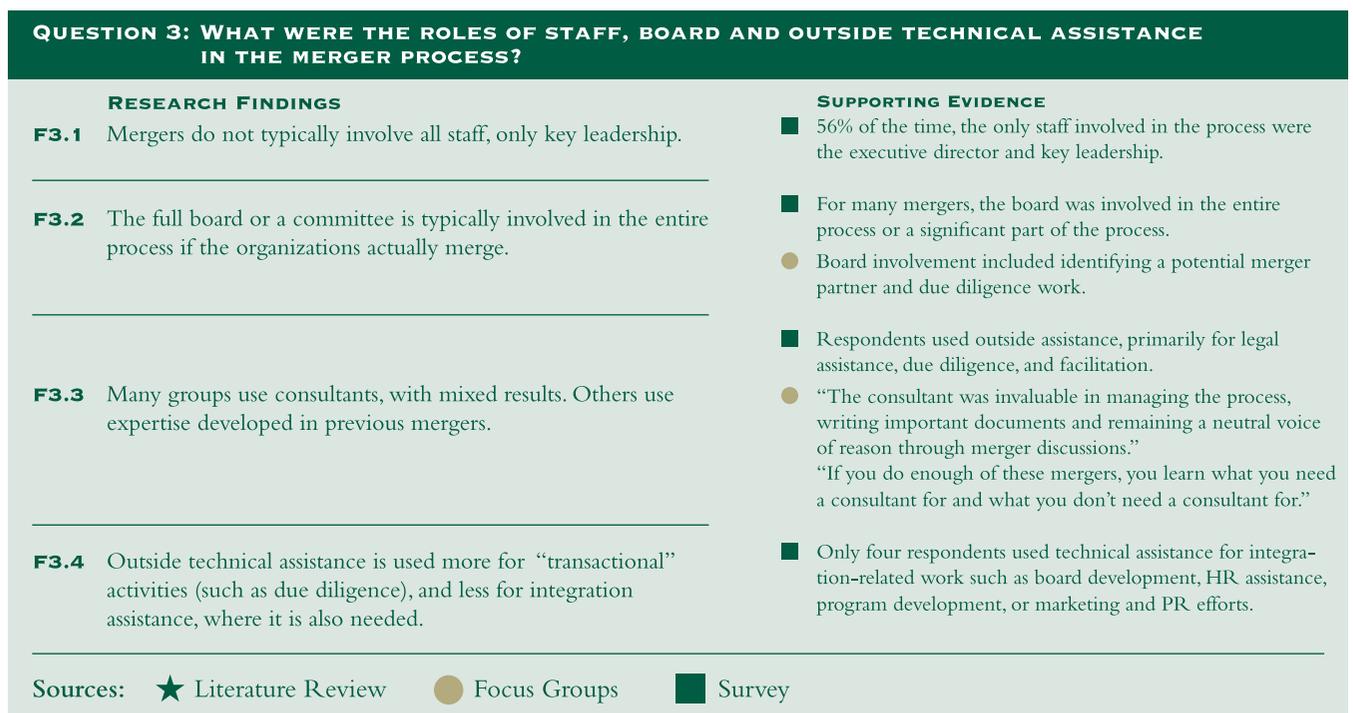
More than one-third of participants completed the merger process using no outside technical assistance. Instead, they relied on the organization’s internal expertise, including experience the staff had developed through previous mergers or the pro bono skills of the board. Other merger processes had minimal requirements for assistance. In one case, the merging organization had no staff, making exploration and integration fairly simple.

4 LaPiana, David. Strategic Restructuring: A Tool for Improving Organizational Effectiveness. The Forbes Funds, Tropman Applied Research Report: 2003.  
5 Gammal, Denise L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.

**FIGURE 3.** Why were merger explorations undertaken? Increasing the organization’s reach or mission impact was the primary driver. However, cost savings become more important when participants were asked about all reasons for exploring a merger.



**FIGURE 4.** What were the roles of staff, board and outside technical assistance in the merger process? Board and staff play an important role in the merger process, with most organizations utilizing technical assistance to carry out the merger. Some organizations merged without any outside technical assistance.



However, since merger explorations and integration can also be confusing, time-consuming, and highly technical, many organizations choose to engage outside expertise to guide them in this exploration (62% of respondents). One executive director noted that *“trying to do this with only organization staff would have been impossible.”* Among those who used outside consultants, assistance was most frequently sought for legal guidance, facilitation, due diligence work, organizational assessment services, and financial reviews, respectively. Focus group participants noted that due diligence is particularly important in today’s climate; one participant stated that *“you assume all their assets, but you also assume all their liabilities. If you don’t have a sense of that going in, you’re in trouble”*.

In most cases outside technical assistance was limited to more transactional functions – legal guidance, facilitation and due diligence – or the nuts and bolts of getting the merger done. Very few participants noted receiving assistance with human resource or board development, both of which are likely to have a significant impact on the success of the merged organization over the long-term. Indeed, as discussed further in the next section, several participants reported encountering cultural challenges and obstacles once the merger reached the integration phase.

Participants offered several suggestions for engaging a consultant in the merger process, recommending that organizations request proposals and check applicants’ references – even if the organization receives a recommendation from a funder. Additionally, participants recommended using consultants who can serve as a neutral party.

**Question 4: How long does the merger process typically last?**

There is no “right” amount of time for completing a merger exploration or full merger. Experiences of participants in this study varied in length.

The largest number of participants experienced a merger exploration process that lasted from six to twelve months. About one quarter found closure in less than six months, while the rest lasted from twelve to eighteen months or eighteen months to two years.

The majority of leaders found the actual timeline was what they expected (86%), and the rest viewed it as being longer than they had expected. However, in the focus groups, leaders noted that full integration took much longer to address, citing challenges and obstacles resulting from cultural differences between the two organizations. This is consistent with the study by Gammal<sup>6</sup> who found that *“full integration took three or more years to complete, with delays that were usually due to unanticipated problems.”*

**Question 5: What are the typical results of the merger process?**

The majority of merger explorations result in a successful outcome, even if those explorations don’t result in two organizations joining to form one legal entity. For the majority of the participants in this study (71%), exploration did in fact result in a formal merger. It is important to note that among the organizations that did not merge, a large number still viewed the exploration as worthwhile and helpful in further clarifying and reinforcing the missions of the organizations. Additionally, two-thirds of those that did not merge structured another type of effective program-related alliance with the other organization.

Two-thirds of all participants who merged agreed the merger achieved the original objective. A focus group participant noted that *“we have added several new programs serving almost 2,000 people a year. But the biggest benefit is harder to quantify—the synergistic benefit of combining our programs.”*

**FIGURE 5.** How long did the process last? Most merger explorations were completed in 6-12 months, with some leaders citing cultural differences as being responsible for lengthy integration times.

QUESTION 4: HOW LONG DID THE PROCESS LAST?	
RESEARCH FINDINGS	SUPPORTING EVIDENCE
<b>F4.1</b> Merger processes vary greatly in the amount of time necessary.	■ 38% completed the process in 6-12 months; 33% in 1-2 years; and 24% in under six months.
<b>F4.2</b> Full integration, including cultural integration, typically takes years.	★ Integrating cultures “is a discovery process which can last long into implementation.”
<b>F4.3</b> The majority of leaders find the actual timeline is what they expect.	● 86% of participants said the process took as much time as they expected, and the rest viewed it as longer than they expected.
Sources: ★ Literature Review   ● Focus Groups   ■ Survey	

6 Gammal, Deirse L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.

In one respondent’s case, the merger did not achieve the anticipated result, but the remaining respondents said it was too early in the process to make a judgment on whether or not the original objective was achieved.

The costs of the merger exploration process varied widely across organizations, ranging from less than \$5,000 to upwards of \$50,000. This difference may be attributed to variation in budget size of the organizations, in length of time for the exploration process, and in varied use of outside technical assistance. The cost of the actual merger (including legal fees and infrastructure investments) also varied across organizations, ranging between \$5,000 to over \$100,000.

Organizations also experienced a wide range in the amount of cost savings achieved, both in terms of increased funding and in terms of economies of scale. Though many participants declined to discuss cost savings, most participants who did so indicated that they saved over \$100,000 annually, and were able to leverage increased funding for the merged organization. However, several participants revealed that their foundation funding decreased from the levels they received prior to merging. One respondent said that of all the foundations he dealt with, “only one didn’t cut us in half.” While this sentiment was not echoed by every participant who had experienced a full merger, it was a common theme in the focus group discussions.

**FIGURE 6.** What were the results of the process? Merger explorations typically result in a positive outcome, with the majority of organizations that explored a merger having merged.

QUESTION 5: WHAT WERE THE RESULTS OF THE PROCESS?	
RESEARCH FINDINGS	SUPPORTING EVIDENCE
<b>F5.1</b> Most mergers achieve their objective.	<ul style="list-style-type: none"> <li>■ Two-thirds of all participants who merged agreed the merger achieved the original objective.</li> <li>★ “We acquired excellent employees, good volunteers, good contracts. It was an excellent result.”</li> </ul>
<b>F5.2</b> The exploration process is time-consuming, but viewed as worthwhile, even if organizations don’t merge.	<ul style="list-style-type: none"> <li>● The majority of organizations that did not merge said the process was still worthwhile.</li> </ul>
<b>F5.3</b> Organizations that do not merge often structure program alliances.	<ul style="list-style-type: none"> <li>● 83% of organizations that did not merge instead structured program alliances with their merger exploration partner.</li> </ul>
<b>F5.4</b> Cost savings from mergers vary, as do integration costs.	<ul style="list-style-type: none"> <li>■ Cost-saving amounts varied, although most organizations saw \$100,000 or more in savings annually.</li> </ul>
<b>F5.5</b> Revenues increase due to program expansions for some, but others see cuts in funding.	<ul style="list-style-type: none"> <li>■ “We did cut costs, but were disappointed in the way that foundations didn’t give . . . the same amount of funding as before the merger.”</li> </ul>
Sources: ★ Literature Review   ● Focus Groups   ■ Survey	

**RECOMMENDATIONS**

*Nonprofit organizations*

There are several recommendations that nonprofits can implement in order to increase their chances of achieving a successful merger. In formulating these recommendations, it became clear that they could be categorized into six recommendation themes, including mission, decision-making, due diligence, communications, culture, and outcomes. Each recommendation also includes incentives for implementation, which are drawn from the research findings. Figure 7 below outlines these recommendations and incentives. While each recommendation and accompanying incentives is tied to specific research findings, each one also reflects the totality of the research findings and Dewey and Kaye’s extensive subject matter expertise in the merger process.

In addition to recommendations for nonprofit organizations, we developed several recommendations for funders as they consider supporting nonprofit merger explorations, full mergers, or post-merger integration activities. As in the recommendations for nonprofits, these recommendations are tied to research findings, but also stem from the overall research.

**FIGURE 7.** These succinct, theme-based recommendations provide nonprofits with the information they need to inform their conversations about the merger process. These findings and recommendations also yielded a useful tool for organizations considering a merger, which can be found in our full report.

RECOMMENDATIONS		INCENTIVES	
<b>R1.1</b>	<i>Mission:</i> Clarify the mission and values of each partner as the basis for a match is explored.	F1.1 F2.1 F2.4 F1.2 F2.3 F5.1	Merger explorations are demanding, time-consuming and in many cases costly to undertake. Making sure there is a match before giving the merger exploration a green light will result in better exploration outcomes.
<b>R1.2</b>	<i>Decision-making:</i> Determine how decisions will be made; create decision points at each stage.	F3.1 F3.2 F4.1	Merger explorations require momentum over the short term. Lack of clarity on who is responsible for what will lead to inertia.
<b>R1.3</b>	<i>Decision-making:</i> Involve board in the process; address questions of roles of executive directors and the board members in the merged organization.	F1.3 F1.4 F3.1	The board is responsible for approving the merger. Without their buy-in, it cannot proceed. Lack of clarity about who will lead the merged organization will result in organizational challenges throughout the process.
<b>R1.4</b>	<i>Decision-making:</i> Define measures of success.	F2.3 F2.4 F5.1 F5.2	Milestones for success will keep momentum going and keep project stakeholders on track and accountable.
<b>R1.5</b>	<i>Due Diligence:</i> View the process as one of continual discovery that continues into the implementation phase.	F3.4 F4.1 F4.2	Entering the exploration with this in mind will set expectations for both parties as to the amount of work required for the merger to succeed.
<b>R1.6</b>	<i>Communication:</i> Keep lines of communication among agencies' boards and staff open throughout the process.	F3.1 F3.2 F3.3 F3.4	Open communication with staff will reduce anxiety and prevent employees from exiting. Open communication with the board will help in obtaining their long-term commitment to the merged organization.
<b>R1.7</b>	<i>Communication:</i> Early in process, communicate with staff from both organizations participating in the merger.	F3.1 F3.2 F3.3 F3.4 F4.2	Open communication with staff members from both organizations will reduce their anxiety about the merger, build their support for the merged organization, and prevent possible post-integration challenges.
<b>R1.8</b>	<i>Communication:</i> Early in process, communicate with donors at key points and discuss expectations of future relationships.	F2.1 F2.2 F2.3 F2.4 F4.1 F4.2 F5.1 F5.2 F5.3	Making it clear to donors that they will obtain an even higher return on their donation from the merged organization may prevent them from reducing or dropping their support.
<b>R1.9</b>	<i>Culture:</i> Consider retaining outside technical assistance for non-transactional, change – management integration issues.	F3.3 F3.4 F4.1 F4.2	Experienced consultants can help a merged organization address cultural differences and reduce the time required for post merger integration.
<b>R1.10</b>	<i>Outcomes:</i> Plan to obtain any additional revenue needed to support expanded capacity.	F2.1 F2.4 F5.2 F5.3	Seeking support from funders and donors in advance will prevent the merged organization from experiencing a financial crisis during its infancy.
<b>R1.11</b>	<i>Outcomes:</i> Prepare for the possibility that exploration may not lead to a full merger.	F2.1 F5.1	Great outcomes can still be achieved through less formal collaboration or strategic alliances.

F#.# = related research findings

**SUMMARY AND CONCLUSION**

Study participants identified several key elements of the merger exploration process for consideration by nonprofit leaders. Even though many cases involved organizations that had some familiarity with one another and began with informal approaches by executive directors or board members, nonprofit leaders characterized the merger as an ongoing discovery process with challenges that were often emotional rather than economic. Despite the time-consuming and demanding aspects of merger exploration, all participants, including those in cases where a merger did not result, viewed the process as worthwhile and helpful in clarifying their own mission. Cost-savings was viewed as a secondary reason for mergers, with the drive to build on mission being primary.

While some organizations experienced the benefit of efficiencies and increased funding commensurate with expanded mission, others experienced cuts in funding support. This study validates the conclusions of other studies that the merger process extends well into integration and demands continued use of time and resources.

Foundations are wise to support explorations of potential mergers between organizations but should temper their own expectations of cost savings with an emphasis on enhancing capacity for community impact. The credibility of foundations can help build community support but should also be used with caution and care during the challenges of a merger exploration process. Both foundations and nonprofits should continue to share the results of their merger experiences to help build the knowledge base and to develop new models that allow agencies and their missions to flourish.

**FIGURE 8.** These succinct recommendations provide funders with the information they need to inform their conversations about the merger process. The findings and recommendations also yielded a useful tool that funders can review as they consider supporting merger explorations. This tool can be found in our full report.

RECOMMENDATIONS FOR FUNDERS		INCENTIVES
<b>R2.1</b> Recognize that expanding mission scope, rather than cost-effectiveness, is the primary factor and outcome in mergers.	<b>F2.1</b> <b>F2.2</b> <b>F2.3</b>	Mergers are driven by emotion. Focusing on mission instead of cost savings will bring more nonprofits to the table to discuss a merger.
<b>R2.2</b> Support a range of options for restructuring instead of setting an expectation of a merger.	<b>F2.1</b> <b>FS.1</b>	Merging may not make sense for all organizations that explore a merger. Alternatives such as collaboration and strategic alliances can produce meaningful outcomes.
<b>R2.3</b> Build awareness of the challenges of merging the cultures and provide support for integration.	<b>F4.2</b> <b>FS.1</b>	Supporting merged organizations during the integration phase will help to make sure they succeed over the long-term.
<b>R2.4</b> Support merged organizations to enhance scale of mission rather than reduce support based on expectations of efficiencies.	<b>F2.1</b> <b>F2.4</b> <b>FS.2</b> <b>FS.3</b>	Cutting funding for a merged organization before efficiencies are observed creates a disincentive for nonprofits to merge.
<b>R2.5</b> Fund continued discussion and research on the merger process.	<b>F2.1</b>	More research on nonprofit mergers will help to reduce organizational learning curves and assist nonprofits and funders in making more informed decisions about the merger process.

**F#.#** = related research findings

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2007

## TROPMAN REPORTS

*Applied Research about the Pittsburgh Region's Nonprofit Sector***DO THEY SEE WHAT I SEE...NOW?**  
*Public Opinion and the Human Services Sector*

Campos Inc



THE FORBES FUNDS

Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, THE FORBES FUNDS advances capacity-building within and among the region's nonprofit organizations.

**The Copeland Fund for Nonprofit Management**

*To strengthen the management and policymaking capacity of nonprofit human service organizations to serve better the needs of their communities.*

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LEADERSHIP FORUMS  
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FOR EXCELLENCE IN NONPROFIT  
MANAGEMENT

**BACKGROUND**

In 2004, The Forbes Funds commissioned Campos Inc to conduct a study modeled after a 2003 national study by the Pew Partnership for Civic Change. The Pew Partnership's study identified substantial discrepancies between the public at-large and nonprofit practitioners in assessing the severity of community problems. The Forbes Funds' 2004 study, entitled, "Do They See What I See," sought to determine if similar discrepancies existed between the public and the nonprofit human service providers in Allegheny County. The Campos Allegheny County study revealed that despite the Pittsburgh region's strong civic culture, public-private partnerships, and four graduate programs in nonprofit management, the 2004 results were surprisingly similar to the national study.

The existence of discrepancies between the public's and nonprofit leaders' perceptions can create several challenges. If the public is not aware of a community problem, they will not likely support organizations that exist to address the problem. If nonprofit organizations do not understand public perception, they cannot make the most effective policy and management decisions and cannot cost-effectively reach potential volunteers and contributors.

In 2007, The Forbes Funds once again commissioned Campos Inc to conduct another study to see if nonprofit or public perceptions had shifted or if any new observations could be made. To track changes in perceptions over time, many of the survey questions remained the same, though some new questions were added to address relevant issues in 2007. For this study, national comparisons were not conducted.

**RESEARCH PURPOSE & QUESTIONS**

The purpose of this study was *to identify gaps in perceptions or practice between nonprofit executives and the general public that constitute opportunities to enhance the fundraising, marketing, advocacy, and management capacity of nonprofit human service organizations.*

The study sought to compare results with the 2004 benchmark study and to answer multiple questions related to potential gaps in perceptions or practice such as:

*Encouraging innovative thinking, leadership dialogue, and strategic management for the nonprofit sector*

NOVEMBER 2007

- What is the public perception in Allegheny County of local problems, including hunger, affordable housing, illiteracy, neighborhood safety, and quality public education?
- What kinds of support do human service organizations need from the community, government, and business sector?
- What are the existing attitudes among the public about the need for community support for nonprofit human services practitioners?
- How do the perceptions of the public compare to the perceptions of human services practitioners?
- What would the public need to know to become more supportive of nonprofit human services practitioners?

**METHODOLOGY**

For the resident survey, Campos Inc conducted 302 phone interviews among Allegheny County residents using Campos Inc’s Voice of the Region Panel. Data collection was closely monitored to ensure the sample was representative of Allegheny County. Resident interviews were conducted between July 30, 2007, and August 15, 2007, during weekday evenings and weekend mornings and afternoons.

For the executive survey, 112 nonprofit executives completed the online survey. The Forbes Funds provided Campos Inc with a list of 447 nonprofit executives who were then sent invitations and reminders via e-mail, and given two weeks to participate.

**NOTE ON SUBSET ANALYSIS**

A number of demographic factors seem to somewhat affect respondents’ perceptions and practices.<sup>1</sup> For the purpose of this study, however, the only areas significantly affected by demographic characteristics were volunteerism (among residents) and government advocacy (among nonprofit executives). These results have been included in the following comparative summaries.

**COMPARATIVE SUMMARY – NONPROFIT EXECUTIVES AND ALLEGHENY COUNTY RESIDENTS, 2004 – 2007**

**SEVERITY OF COMMUNITY ISSUES**

Like the 2004 study, both residents and executives were asked to rate the severity of five community problems – both in the Pittsburgh region and in their neighborhood. (See Figure 1.) The underlying concern was that unless the two groups are reasonably close in their perceptions, nonprofits may not find adequate community support to fulfill their missions.

Similar to 2004, residents and nonprofit executives in 2007 did not rank the severity of the issues in the same order. With the exception of crime/neighborhood safety, residents are still much less likely than nonprofit executives to perceive issues in the Pittsburgh region as very/fairly serious.

**FIGURE 1.** Percentage of residents and executives who perceive community problems as very or fairly serious.

	Executives		Residents			
	Pittsburgh Region		Pittsburgh Region		Your Neighborhood	
	Very/Fairly Serious	Rank	Very/Fairly Serious	Rank	Very/Fairly Serious	Rank
Quality of education	95.4%	1	63.6%	3	32.4%	2
Crime/Neighborhood Safety	87.4%	2	86.2%	1	33.3%	1
Illiteracy	84.6%	3	56.8%	4	14.7%	5
Affordable housing	82.4%	4	52.6%	5	25.4%	3
Hunger	81.7%	5	65.0%	2	15.2%	4

<sup>1</sup> For residents, these factors included: gender, age, residency, education, income, and ethnicity. For nonprofit executives, these factors included: years on the job, number of employees in organization, and organization’s budget size.

The 2007 study also contrasted residents’ perspectives of problems in the Pittsburgh region with the problems in their own community. Although crime remains the number one concern, residents perceive all problems to be much less severe in their own neighborhoods, and in fact are the least likely to feel that hunger and illiteracy are serious problems.

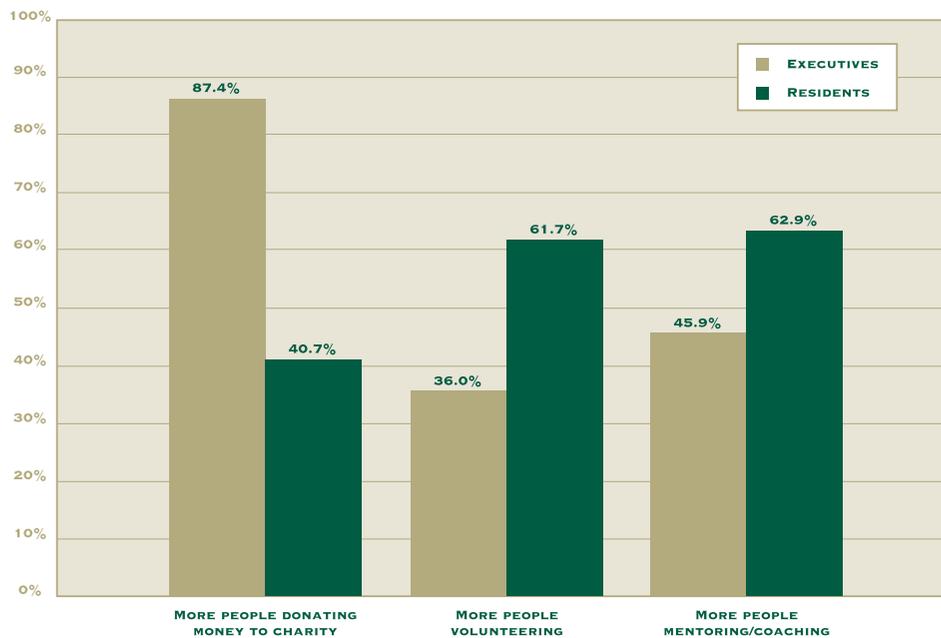
**CHALLENGES FACED BY NONPROFITS: FUNDING, VOLUNTEERING & BUSINESS INVOLVEMENT**

In addition to community problems, executives were asked to identify the single biggest problem they faced in accomplishing their mission. Just as in 2004, lack of funding/resources was ranked first. The next biggest problem facing executives in 2007 was a lack of visibility within the community.

Additionally, as stated earlier, executives said that the involvement of business leaders is just as important as more people donating money to charity, thus implying that business leaders can also provide goods or services that volunteers cannot provide.

In fact, the demand for business involvement seems to be growing since 2004. Nonprofits seem increasingly aware that local businesses can be invaluable partners in addressing community issues, and providing volunteers who possess specialized skills. When asked what business leaders could do to help, just as in 2004, nonprofit executives still believe that the most important action would be to provide funds, grants, or financial support. However, the percentage that said so decreased since 2004, while the importance that executives

**FIGURE 2.** Percentage of residents and executives who feel actions would help a great deal.



When asked to choose from a list of actions that would do the most to solve their organization’s primary concern, over 85% of executives said that business leaders working more closely with organizations like theirs and more people donating money were both actions that would help a great deal. However, once again, Allegheny County residents rated donating money to charities last among the various options for how people could help to improve the quality of life in the Pittsburgh region. Instead, residents were more likely to think that volunteering or mentoring would have the greatest impact. (See Figure 2.)

The mistaken assumption that nonprofits need more volunteers far more urgently than they need additional contributions continues to persist among residents. While nonprofits would be pleased to have more volunteers, their most urgent need is for additional funding to cover the costs of goods and services that volunteers cannot provide.

placed on business leaders’ committed/active involvement increased. Additionally, nonprofit executives said that the second most important volunteer source (after word-of-mouth) is professional/business associations or people volunteering through their place of business. Despite the increased desire for business leaders to be committed and actively involved, the proportion of executives (about half or 51.8%) who are meeting regularly with members of the local business community has not increased.

It seems that lack of management capacity may be preventing nonprofit executives from spending enough time on important issues, such as meeting more with members of the local business community. Indeed, most (86.6%) of nonprofit executives who participated in the survey find themselves frequently managing day-to-day operations, leaving them with little time to engage in those activities that would further the mission of their organization.

### **CHALLENGES FACED BY NONPROFITS: GOVERNMENT ADVOCACY**

Four out of 10 nonprofit executives feel they should be spending more time on government advocacy. A closer examination of demographic factors revealed that executives with 10 or more years in their current position or who head larger organizations (with budgets of over \$3 million or 50 or more employees) are more likely than other executives to spend time on government interaction, and feel that they should spend even more time on this activity. As a further example, larger organizations spend more time visiting Harrisburg and participating in government commissions. They see the lack of government understanding/cooperation as more of an issue than do smaller organizations, and are more likely to feel that government officials working more closely with organizations like theirs would help a great deal. Executives with 10 or more years in their current position are also more likely to spend more time meeting with elected officials, and those with four or more years in their current position are more likely to send newsletters to government officials.

On the other hand, nonprofit executives with less than four years in their current position, as well as those heading smaller organizations, are more likely to find themselves frequently managing day-to-day operations. In keeping with the previous comparison, lack of management capacity may also be limiting nonprofit executives' ability to make government advocacy a priority.

### **CHALLENGES FACED BY NONPROFITS: MARKETING AND COMMUNICATIONS**

Just as in 2004, residents and executives agreed that word-of-mouth was one of the most effective methods of learning about volunteer opportunities. Additional important methods mentioned by about one in ten residents, included the local newspaper, church, television, the internet and email/blogs. In contrast, nonprofit executives listed several types of business-related contacts as the most important additional methods for recruiting volunteers.

When comparing these findings at a more detailed level, it becomes clear that nonprofits are not utilizing several important methods for recruiting volunteers. For instance, the importance of church as a source for volunteers was reinforced by the fact that actual volunteers (those residents who indicated they had volunteered during the past year) were just as likely to have found out about their volunteer opportunity through church as through word-of-mouth. When specifically asked about churches, however, less than one-third of nonprofit executives thought churches were a crucial source of volunteers. Additionally, less than half of nonprofits perceive online methods (e.g. internet, email, and blogs) to be very useful for volunteer recruitment, despite the

fact that they are low-cost or free and were listed by one in eight people under the age of 55 as the best way to find out about volunteer opportunities.

In addition, nonprofit executives could recruit more volunteers by raising general awareness about their organization. Many residents – especially those from the suburbs – said that they did not volunteer because they lacked awareness of what the community issues are, which organizations need help, or how their skills might be valuable. Indeed, about one in ten residents said that they called nonprofits directly to find volunteer opportunities. Only 6% of nonprofits, however, currently send a newsletter to the general public, membership or subscription lists outlining their organization's work.

It seems that limited capacity may inhibit some nonprofits from implementing their knowledge of communication best practices. For example, more than 80% of nonprofit executives agreed that word-of-mouth was a method they used to inform people in the community about their organization's needs, and over 90% believe that it would help a great deal if business leaders worked more closely with their organization. However, only about 50% meet regularly with members of the local business community and/or local government officials.

### **CHALLENGES FACED BY NONPROFITS: PERCEPTION OF EFFECTIVENESS, STEWARDSHIP & IMPACT**

The results of this survey, like the 2004 survey, continue to show that the public supports the work of local nonprofits and believes that community involvement and volunteerism are good and beneficial. However, the results also show that the public is more hesitant to support the financial management, efficiency, or resource usage of local nonprofits, and is not convinced that financial donations will be beneficial in solving community issues.

Most residents (85%) said they were confident in or felt positive towards nonprofits, and almost all executives had predicted, although slightly overestimated, both a confident and positive response. Additionally, more than half of residents reported volunteering for some type of charitable organization in the past year. Nearly all residents said that the organization they had chosen to volunteer for made good use of their skills and that their volunteering made a difference. Most who didn't volunteer in the past year said that lack of time was a major reason for not doing so (an especially important reason for people under age 55). Others listed lack of awareness (especially an issue for suburban residents), or lack of transportation (especially an issue for older residents); hardly anyone listed negative perceptions about nonprofits as a reason for not volunteering.

Residents generally believe that nonprofits are good stewards in using their volunteer skills, delivering programs and services, helping people, getting things done and achieving their mission. Just as in 2004, however, residents are far less likely to feel that nonprofits do a good job making efficient use of resources or spending money wisely. (See Figure 3.) Additionally, when residents were asked to share their greatest concerns about charitable organizations, almost all responses had to do with effective financial management and accountability concerns.

**FIGURE 3.** Publics’ ratings of nonprofit organizations’ performance.

Nonprofits do a Very Good Job or a Somewhat Good Job

	2007 Executives’ Perceptions	2007 Residents’ Ratings	2004 Executives’ Perceptions	2004 Residents’ Ratings
Delivering programs and services	100.0%	83.1%	94.3%	84.9%
Helping people	99.1%	89.4%	100.0%	88.7%
Getting things done and achieving their missions*	87.0%	82.8%	N/A	N/A
Spending money wisely	72.9%	63.1%	79.2%	63.3%
Making efficient use of resources*	68.8%	65.4%	N/A	N/A

\* Note that these questions were not asked in 2004

Residents also have a misperception about whether or not they can make a difference on issues facing our community. Overall, most residents responded that volunteering would do the most to help the issue, and very few felt that financial donations would make a difference. Nonprofits, on the other hand, said that financial donations could make a very large impact on the issues facing our community.

As mentioned in the 2004 study report, fundraising and volunteer recruiting are most often disconnected from one another, and could result in misperceptions about needs, stewardship, and potential impact. Additionally, residents seem to perceive a connection between volunteering and organizational impact, but do not necessarily see a connection between financial donations or financial management and organizational impact. Overall, it seems residents do not perceive that the stewardship, goals, and impact of financial and skill-based donations are interdependent.

**FINDINGS**

As the previous comparative summaries discussed, there are many gaps in perceptions and practices between nonprofit executives and the public. Overall, networking, communications, and capacity were prevailing themes throughout the comparative summaries. Nonprofits, for example, can do more to close perception gaps by networking and building lasting relationships within the private sector and government. They can work to close perception gaps by raising community awareness about the issues they address and by becoming more effective in the way they recruit volunteers. Nonprofits can also do more to close perception gaps about financial accountability in the nonprofit sector by communicating their commitment to transparency in everything that they do.

The study also showed that while nonprofits have before them a tremendous opportunity to close perception gaps, many lack the capacity to execute those changes. Indeed, as this report demonstrates, far too many capable nonprofits are bogged down by the day-to-day requirements of managing their organizations.

The complete summary of the report findings is shown in Figure 4 below.

**FIGURE 4.** Networking, communications, and capacity were prevailing themes throughout the findings.

<b>RESEARCH FINDINGS (COMPARATIVE SUMMARY FINDINGS)</b>	
<b>F.1</b>	More business involvement is necessary for capacity-building. Nonprofits lack internal and often external capacity to do what is optimal towards achieving their mission and could leverage business leaders both for corporate and community partnerships and internal capacity building.
<b>F.2</b>	Government relations and advocacy is under-prioritized; government officials have the power to raise the importance of community issues by prioritizing them in laws and legislation and allocating large flows of government funds; however, some nonprofit executives, especially with fewer years' experience or from smaller organizations, don't take advantage of government advocacy.
<b>F.3</b>	Some methods for volunteer recruitment, which the general population tends to use, seem to be under-utilized or not recognized as important by nonprofits. Additionally, limited capacity may inhibit some nonprofits from implementing their knowledge of communication best practices.
<b>F.4</b>	Messaging has not drawn a connection between the goals, stewardship or community impact of financial and skill-based donations. The disparate perceptions of the general public surrounding skill-based versus financial donations suggests that the public misunderstands the extent of need for each type of donation, and fails to see how the stewardship, integrity, goals and impact of each are interdependent.

#### **RECOMMENDATIONS**

When developing the report recommendations, it became clear that in order for them to be useful, they must take into consideration nonprofits' capacity to implement. Indeed, Allegheny County's nonprofit sector as a whole is comprised mostly of smaller nonprofits which, as discussed in the comparisons and findings, often lack the management capacity to take action beyond day-to-day responsibilities. Subsequently, the report recommendations are broken into both short-term recommendations, which do not require substantial resources or capacity, and long-term recommendations, which may require somewhat greater capacity or access to resources.

While the short-term recommendations are intended for all nonprofits, it is believed that they will allow even the smallest nonprofits to contribute to, and make a difference in, closing perception gaps. Many organizations have yet to see how carrying out such recommendations will benefit their organization. Smaller nonprofits in particular tend to focus on immediate benefits of networking or improving volunteer outreach, such as obtaining funding from government and donors, as opposed to long-term benefits that result from building such relationships. By implementing these short-term recommendations, it is expected that nonprofits will achieve some short-term success, thus building momentum to begin implementing the more time and resource intensive long-term recommendations.

Figure 5 below outlines the short-term recommendations and incentives for nonprofits to implement. Since nonprofits can do the most to close perception gaps, all the recommendations presented in this report are intended for this audience.

**FIGURE 5.** These short-term recommendations were designed to allow even the smallest nonprofit to participate in closing perception gaps.

RECOMMENDATIONS FOR NONPROFITS		INCENTIVES
<b>R1.1</b>	Join advocacy organizations and associations that address issues relevant to your organization. <b>F.1 F.4</b>	Most nonprofit executives do not have the time to visit Harrisburg to meet with government officials. Joining an advocacy association is one way to impact the policy process without making a significant time contribution.
<b>R1.2</b>	Send your organizational newsletter to government officials and business leaders. <b>F.1 F.2 F.3</b>	Newsletters, emails, blogs and other communications allow nonprofit executives to reach these stakeholder groups and build broader community support for their mission.
<b>R1.3</b>	Design communications to educate the community and business and government leaders about issues as well and the direct impact specific actions and specific skills can make in addressing those issues. <b>F.1 F.2 F.4</b>	People are more likely to volunteer if they know about issues impacting the community and how their involvement and donations will affect those issues.
<b>R1.4</b>	Make volunteer and donation information easily accessible on your website, via email, and through local blogs. <b>F.1 F.2 F.3</b>	Listing such opportunities online is low-cost or free and will allow nonprofits to reach more tech savvy volunteers, donors, and professionals.
<b>R1.5</b>	Recruit volunteers through churches. <b>F.1 F.3</b>	Many people find out about volunteer opportunities through church. For nonprofit executives, recruiting volunteers through churches is low-cost, time efficient and effective.
<b>R1.6</b>	Invest in business, skills, or government advocacy training for volunteers who are willing to make a long-term commitment. <b>F.1 F.2 F.4</b>	When there's not enough money to hire, training committed volunteers could provide a low-cost method for increasing an organization's internal capacity.
<b>R1.7</b>	Make your organizations' financials available on your website, in annual reports, and through national databases like Guidestar. <b>F.3 F.4</b>	At a time when the public demands accountability, using your website to model transparency and communicate to donors, funders, and the public that your organization is trustworthy will build community support for your organization.

**F.#** = related research findings

The long-term recommendations presented in Figure 6 focus more on those activities that require building relationships with business and government, improving volunteer recruitment practices and refining nonprofits’ communication strategies. The recommendations also include two recommendations first presented in the 2004 study that are still relevant today. While these long-term recommendations require a greater commitment on the part of the nonprofits to implement, they are likely to have the greatest impact in closing perception gaps and building support for the nonprofit sector.

**FIGURE 6.** These long-term recommendations require a greater investment on the part of nonprofits, but will likely result in the greatest impact.

RECOMMENDATIONS FOR NONPROFITS		INCENTIVES
<b>R2.1</b>	Network, build relationships, and explore solutions with government officials and local business leaders. <b>F.1 F.2 F.3</b>	Relationships with local leaders can start word-of-mouth campaigns in powerful circles, influence legislation, catalyze collaborations and corporate champions, and attract professional volunteers.
<b>R2.2</b>	Approach corporations and business people with well-defined projects and operations that volunteers with professional skills can undertake. <b>F.1 F.3</b>	Many corporations have or would like to set up volunteer or pro-bono programs, and a lack of awareness may be all that is preventing some professionals from volunteering.
<b>R2.3</b>	Outsource your volunteer management, use a volunteer matching or retired executive program, or collaborate with another nonprofit to manage your volunteer program. <b>F.1</b>	Organizations specializing in volunteer management can save staff time and money and often have greater visibility and capacity to locate volunteers with specific skill sets, and overcome obstacles to volunteering.
<b>R2.4</b>	Unify messaging around skill-based and financial donations to show cumulative impact, common objectives, and shared ethical practices in addressing community issues. <b>F.4</b>	Communicating how nonprofits’ ability to achieve their mission and be good stewards of skill-based donations is dependent on good financial management, might help the public trust nonprofits’ use of financial donations as much as they trust their use of skill-based donations.
<b>R2.5</b>	Make sure messaging, especially around donations, is simple, clear and consistent across the organization (among both staff and volunteers) and communication mediums. <b>F.3 F.4</b>	The public is already concerned about how nonprofit organizations handle finances, and unclear or inconsistent messaging can result in confusion.
<b>R2.6</b>	Join a government commission that is researching or making policy recommendations on an issue relevant to the mission of your organization. <b>F.1</b>	Commissions and working groups examine policy and legislation that impacts nonprofits and their missions, and provide opportunities to give testimony and to network with government officials.
<b>R2.7</b>	As recommended in 2004, continue to grow internet-based fundraising campaigns. <b>F.3 F.4</b>	Internet fundraising allows multiple donors to contribute small amounts of money to specific projects on a frequent basis and for the direct impact of funds to be made clear and transparent online.
<b>R2.8</b>	As recommended in 2004, establish a volunteer challenge campaign involving volunteers in fundraising and recognizing their efforts to increase skill-based and financial donations. <b>F.3 F.4</b>	Since volunteers are involved in the most effective method of spreading information - word of mouth, they can help to span the perception gap between skill-based and financial donations.

**F#.#** = related research findings

The Tropman Reports listed below can be found at [www.forbesfunds.org](http://www.forbesfunds.org).

## 2006 TROPMAN REPORTS

- STUDY #1:** Built to Last: Our Legacy and Our Future – Nonprofits and the Regional Economy
- STUDY #2:** How is the Region Doing? Human Service Use and Service Availability in Allegheny County, PA
- STUDY #3:** A Comparative Analysis of the Capacity-Building Industries in Pittsburgh and Central Texas

## 2005 TROPMAN REPORTS

- STUDY #1:** The Cost of Meeting Compliance: A Case Study of Challenges, Time Investments, and Dollars Spent
- STUDY #2:** Why Engage? Understanding the Incentive to Build Nonprofit Capacity
- STUDY #3:** Nonprofit “Capacity-Building Orientation”: The Role of Learning in Building Nonprofit Performance
- STUDY #4:** Service Clustering: Building Cohesive Public Service Capacity

## 2004 TROPMAN REPORTS

- STUDY #1:** Do They See What I See? Public Opinion and the Human Services Sector (Campos, Inc.)
- STUDY #2:** Charting the Resources of the Pittsburgh Region’s Nonprofit Sector (Urban Institute)
- STUDY #3:** An Analysis of the Pittsburgh Region’s Capacity-Building Industry: Who Is Doing What for Whom and to What End? (Millesen & Bies)
- STUDY #4:** High Performance in Nonprofit Organizations in the Greater Pittsburgh Area (Consulting Group, Inc., and Eastern Michigan University)
- STUDY #5:** Assessing Social Return on Investment for Social Enterprises in the Pittsburgh Region (Olszak Management Consulting, Inc.)

# 2003 TROPMAN REPORTS

- STUDY #1:** The Precarious Billion Dollar Sector — Nonprofit Human Services in the Pittsburgh Metropolitan Area (Urban Institute)
- STUDY #2:** Strategic Restructuring — A Tool for Improving Organizational Effectiveness (LaPiana Associates, Inc.)
- STUDY #3:** Identifying Financing Opportunities for Pittsburgh-based Social Enterprises (Community Wealth Ventures)
- STUDY #4:** The Use of Modern Quality Assurance in Nonprofit Management (Community Quality Institute)
- STUDY #5:** The Challenge of Nonprofit Leadership — A Comparative Study of Nonprofit Executives in the Pittsburgh Region (University of Pittsburgh GSPIA)
- STUDY #6:** The 2002 Wage and Benefit Survey (Bayer Center for Nonprofit Management)
- STUDY #7:** The Insurance Muddle — Addressing Healthcare Costs for Nonprofit Sector Employees (Dewey & Kaye and Triad)
- STUDY #8:** Diversity Within and Among Nonprofit Boards in Allegheny County, PA (University Center on Social and Urban Research)

# 2002 TROPMAN REPORTS

- STUDY #1:** Capacity-Building in the Nonprofit Sector — A Comparison of Resources and Practices in Pittsburgh and Denver (Jane Hansberry)
- STUDY #2:** How do Nonprofits Compare with For-Profit Providers? An Application of Customer Value (Tripp, Umbach & Associates)
- STUDY #3:** Leveraging Human Capital — How do Nonprofits in Pittsburgh Recruit and Manage Volunteers? (First Side Partners)
- STUDY #4:** New Economy Entrepreneurs — Their Attitudes on Philanthropy (Campos Market Research)
- STUDY #5:** Profit-Making in Nonprofits — An Assessment of Entrepreneurial Ventures in Nonprofit Organizations (Olszak Management Consulting, Inc.)
- STUDY #6:** Recruitment and Retention of Managerial Talent — Current Practices and Prospects for Nonprofits in Pittsburgh (University of Pittsburgh)
- STUDY #7:** Social Services in Faith-Based Organizations — Pittsburgh Congregations and the Services They Provide (Buchanan Ingersoll)
- STUDY #8:** Staying Ahead of the Curve — An Assessment of Executive Training Needs and Resources in Pittsburgh (Tripp, Umbach & Associates)
- STUDY #9:** Strategic Planning — Positioning Identity, Values and Aspirations (Katz Graduate School of Business)



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