

# Emerging opportunities for NGO-business partnerships

Feedback from the  
**Cross Sector Partnership project**

Involving  
**Accenture Development Partnerships**  
**The Partnering Initiative**  
**World Vision**



## The Cross Sector Partnership project

The Cross Sector Partnership (XSP) project for engaging with the private sector is part of World Vision's emerging strategy to transform itself into an organisation where partnership is at the heart of the way it works. This will be achieved through a series of projects to identify proven and promising practice, both within World Vision and more widely. XSP was the first such project, with the objective of developing a strategy for World Vision to partner more comprehensively with the private sector.

## The research

The XSP team visited a sample of eleven countries out of the 98 where World Vision is active. In the research the XSP team:

- Interviewed over **100 staff from 86 companies** covering a range of companies from multinationals to national companies and SMEs and many different industry sectors represented.
- Interviewed over **200 staff from 34 NGOs** (including over 150 World Vision staff) ranging from national to international NGOs, and also included international development agencies, business and NGO associations.

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**accenture development partnerships**

**Accenture Development Partnerships** is a not-for-profit unit within the global management consultancy, Accenture. It provides field-based business and technology services to the development sector on a non-profit, cost-recovery basis.

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**The Partnering Initiative** is a hub of five partners in which the International Business Leaders Forum operates as the lead partner. It is dedicated to promoting the art and science of cross sector partnership through research, and the development of tools, methodologies and tailored capacity and skills building programmes.

[www.ThePartneringInitiative.org](http://www.ThePartneringInitiative.org)

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# Executive summary

The cross sector partnership movement has grown as a response to the challenge of the 21st century which presents an increasingly complex and inter-related global context. Single sector responses to the challenges which have arisen have proved less than optimal.

This is the backdrop to the Cross Sector Partnership (XSP) project—a World Vision sponsored research project. It is focused on how World Vision can engage more effectively with the private sector. The project began in October 2007 and has been delivered by a partnership consisting of World Vision, Accenture Development Partnerships and The Partnering Initiative. This report describes the findings of the project, based on over 300 interviews with staff from corporates and NGOs in eleven countries, as well as additional information regarding trends in NGO-business partnerships.

Across the countries which were researched wide ranging expressions of partnership were identified from relatively complex, integrated mutually beneficial relationships to more traditional philanthropic arms-length relationships. Whilst it is clear that an increasing number of NGOs and companies are willing to engage in innovative partnering arrangements, given that this is a relatively new discipline, there is still uncertainty being expressed by organisations from both sectors. However, the perceived benefits to NGOs of working with companies are varied. A pragmatic approach looks to the release of new resources, whilst, reflecting a more significant ideological shift, other NGOs recognise that they will be unable to achieve their mission without positive engagement with other sectors. Businesses work with NGOs as a way of increasing employee engagement, as a mechanism for entering new markets with new products and services, and as a response to increased sustainability/triple-bottom-line

reporting requirements. Corporate resources in NGO-business partnerships are directed via philanthropy and social investments through to new commercial initiatives and core business related activities. The research indicates that the greater the contribution from the partnership to core business goals, the higher the potential investment from the company concerned.

The XSP research identified twenty engagement opportunities which were classified under the following types; 'sponsorship', 'marketing', 'advocacy', 'brokering', 'capacity-building' and 'business'. Case studies are presented illustrating the characteristics of these different engagement types. Of course, many partnerships involve activities which touch on more than one of the types identified above; limited win-win objectives may be identified at the outset, but as trust and mutual understanding grow, more innovative initiatives often emerge.

Whilst the partnering approach can yield significant added value, there are of course collaboration challenges. Of particular concern is power distribution between partners, internal and external communications, and inefficiencies leading to high transaction costs. To mitigate these risks critical success factors were observed which, when underpinned by commonly agreed principles, can lead to fit for purpose, effective partnering organisations: an important organisational characteristic in a context where collaborative, cross sector arrangements are becoming increasingly important.

In conclusion, NGO-business partnerships have immense potential. For NGOs the opportunity for step-change improvements to the impact and sustainability of their community development work. For companies, ground-breaking opportunities to enhance to their economic, social and environmental performance.

# Introduction

*“The old paradigm – where NGOs do the service delivery, private donors fund it and governments regulate – is withering away. Companies have become, in effect, the largest overseas development agencies. With the growing recognition that trade and markets are the most important drivers for development, lines of responsibility are getting blurred. Every sector is exploring new roles, working relationships and ways of ‘doing business’. Partnerships are fast becoming the preferred mechanism for delivering sustainable development.”<sup>1</sup>*

## Setting the scene

The 21<sup>st</sup> century presents an increasingly fluid global context at all levels. Economic, social, cultural and environmental challenges are no longer simple and no longer simply local or national phenomena. The world is becoming increasingly:

- **Complex** – with a myriad of economic, political and cultural interrelationships between individuals, organisations, nation-states and international agencies;
- **Pluralist** – with the growing challenge to the dominance in global affairs of the US and Europe by China, Brazil and India;
- **Crowded** – in terms of both population growth and a growing variety of government, business and NGO initiatives and institutions;
- **Polarised** – between those living in luxury and those living on less than a \$1 a day;
- **Unpredictable and turbulent** – even as the global economy has become more integrated, at any one time there are many locations where civil unrest, ethnic warfare or dictatorships prevail;
- **Politically unstable** – with the loss of influence / dominance of the nation state and

emergence of global security threats;

- **Vulnerable** – as poverty both within and between countries becomes more exaggerated, and global life-support systems are destabilised by biodiversity loss, climate warming, resource depletion and pollution.

It is as a response to these challenges that the cross sector partnership movement has grown to such prominence in the past ten years. This is hardly surprising. Single sector solutions to the challenges listed above have clearly failed and more collaborative and integrated problem solving seems to be a promising alternative.

Is the move towards partnering driven by creativity or desperation? Perhaps it is both – the crisis/opportunity philosophy. Whatever the driver(s), there is an ever-increasing number of organisations that are systematically collaborating with non-traditional partners to share risks, costs and benefits in a whole gamut of sustainable development activities (see the box below).<sup>2</sup>

Examples of organisations that are increasingly adopting cross sector partnership approaches:<sup>3</sup>

- Businesses such as: BP, Eureka Forbes, HSBC, J&J, McKesson, Microsoft, Nike, Nokia, Rio Tinto, Shell, Unilever and Vodafone, (as well as Accenture – one of the organisations working on the project);
- Global NGOs such as: Care International, Earthwatch, Mercy Corps, Oxfam and WWF, (as well as World Vision International – the organisation that commissioned this project);
- International and national government agencies such as: GTZ, the US State Department, the World Bank and most agencies in the UN system;
- Innumerable local and national civil society organisations.

### Partnerships: defying definition

Cross sector partnerships are those relationships that establish a non-statutory collaboration between organisations from different sectors (business, government and civil society). Such partnerships are typically put in place to achieve sustainable development goals at strategic and/or operational levels.

There is, perhaps surprisingly, no commonly agreed global definition for partnership – though many agencies have attempted to create one. Indeed, we have found that the term ‘partnership’ is used quite differently by different players and in different parts of the world.<sup>4</sup> Having said this, it is our observation that the strongest partnerships tend to be those that have arrived at an agreed and explicit definition between those involved as to what they mean by their partner relationship. In other words, it does not seem to matter whether one partnership has the same definition as another but it really does matter that partners within the same partnership adopt and adhere to a shared definition.

It is a common assumption that a partnership is based on some kind of sharing (competencies, resources, risks, costs and/or benefits). But the kind of sharing can range from a simple exchange of assets to a far more complex sharing of governance, decision-making and programme creation/delivery. Whatever the depth of engagement, the principle of sharing rather than transferring costs and risks is an important one. Beyond this there are almost as many definitions as there are partnerships.

### Commitment and compromise

Partnering requires a commitment of time, effort and resources by all parties – investing in it is an

opportunity-cost decision. Whilst it is tempting for partners to focus on the benefits of partnering (often somewhat over-optimistically), partners also face a number of potential risks. One such risk is that of losing credibility by choosing the wrong partner, or creating a controversial relationship of which their wider stakeholder network would disapprove.

Organisations in all three sectors raise issues of partnerships potentially compromising the interests of their primary beneficiaries – whether these are customers, shareholders, disadvantaged groups or the general public. Organisations in all three sectors can be guilty of overselling partnerships and not being rigorous enough in analysing when a partnership is or is not appropriate in achieving their individual organisational goals.

There can be a danger in being too ‘positivist’ about partnering. It is not always the appropriate vehicle or the best way to achieve certain goals. Creating a ‘when not to partner’ list early on may be a useful document for any organisation considering entering into such partnership arrangements. Each sector, or organisation, has its own ‘no go’ areas.

In addition to these considerations, partners can easily forget that cross sector partnership is a sustainable development mechanism, not necessarily an end in itself.<sup>5</sup> They can become so wedded to the partnership ideal or to the group of partners they are engaged with, that they spend too much time finessing the partner relationship at the expense of achieving tangible outcomes/ outputs, or in perpetuating a partnership that is long past its ‘sell-by’ date.

And, of course, partnership is not necessarily the answer to all known global ills. The transaction

costs involved in partnering can be high and can be out of proportion to the benefits to those involved in the partnering approach. Sometimes a partnership is just too unwieldy a response to a situation that simply requires direct action by one sector. Sometimes, a partnership may become the problem by allowing one sector to renege on their core responsibilities. If, for example, an NGO-business partnership successfully delivers health, education and enterprise development in a disenfranchised community, what incentive (or pressure) is there on the public sector to fulfil its responsibilities in the delivery of public services?

The focus for the World Vision project<sup>6</sup> (and therefore the focus of this report) has been specifically on NGO-business partnerships, but the lessons go far beyond these two sectors. There are implications for all partnerships involving players from every sector and in local, national, regional and international contexts.

### Thinkers and dreamers

As more and more organisations enter the partnership space, they recognise that they need to build capacity and adjust systems to be 'fit for purpose' as effective partners.<sup>7</sup> This takes patience, persistence and leadership. It also takes a willing and creative spirit...

*"Partners are collaborators, thinkers and dreamers. When we work in this way we abandon the comfortable, tried and true traditions in our working lives. We also move from a position of control into a location of cooperating. Such collaboration is a high order creative process – mutual aims and goals occupy importance, the ego or sole interests of each organisation must be left behind in order to be successful. And as leaders – at whatever level – we are all 'wired' to deliver success."*<sup>8</sup>

We share the view of this partnership practitioner – that cross sector collaboration is a high order creative process. We also believe that all of us, whether leaders or practitioners from whichever sector in which we operate can indeed be wired to deliver success. But success takes considerable effort and courage as well as a willingness to be committed and to compromise where necessary.

By putting NGO-business partnerships under the spotlight, we hope that this review can play its part in:

- Revealing partnership potential;
- Addressing the challenges that working outside one's comfort zone invariably brings
- And pushing forward the partnering agenda so that it starts to have significantly more sustainable development impact.

We are delighted to share our work with you on the emerging opportunities within this increasingly important subject area.

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# Growing partnerships

## The building blocks

There are many ways to explore the elements that lead to and drive partnerships. One recent view suggests that there are three stages which companies and NGOs go through as they move towards a formalised collaboration.

Stage 1 is seen as a **pre-convergence condition**, when companies and NGOs working out of their quite different attitudes toward liberalisation and globalisation, take issue over the nature and speed of deregulation, and companies' conduct in developing countries.

Stage 2 is one where companies and NGOs begin to **realise** they have to co-exist and so they look for ways to influence each other. Some businesses and NGOs at this stage agree to execute joint social responsibility projects.

Stage 3 is when businesses and NGOs begin to realise that **they can work with and learn from** each other. In this fully realised stage companies and NGOs **enter into co-created business-to-business relationships** that entail companies and NGOs becoming a key part of each other's capacity to deliver value and vice versa.<sup>9</sup> For example, co-development of base-of-the-pyramid (BoP) products alongside businesses in those same segments and niche markets where NGOs are operating. As these forms of NGO-business collaborations increase, both sectors better realise the value of working together.

## The partnering landscape

Whilst recognising that the building blocks for partnering may be similar – indeed that the process of partnership-building and management may be a genuinely global phenomenon transcending cultures and crossing continents – it is important

to recognise and respect the fact that each partnership can be very different. Every partnership is invariably an expression of, and a response to the local context in which it develops. Every partnership is, in fact, unique.

The XSP project research revealed that the partnering landscape is widely different from country to country and that what constitutes a partnership in Australia may be really quite different in character from a partnership in Zambia. The question is not which is a 'real' partnership or which partnership is 'better'. It is more a question of whether this partnership is appropriate for the context in which it is operating, taking account of the specific challenges faced. This is not to say, of course, that partnerships are fixed – there are always opportunities for moving in new directions.

The diagram on pages 10 and 11 attempts to capture some of the similarities and differences across the range of country contexts that the XSP project team visited.

## The NGO perspective

It is relatively hard to penetrate beneath the façade of NGO-business partnerships. NGO websites are relatively unrevealing and there are relatively few case studies available in the public domain. NGOs seem to be quite cautious about broadcasting their partnerships with business. Our research leads us to conclude that NGOs are:

- Still somewhat ambivalent about their corporate partnerships;
- Reluctant to publicise achievements prematurely (probably quite correctly);
- Not as 'transparent' as they like to think they are;
- Nervous about losing other forms of resource support because of perceptions of other

donors that they are funded by business;

- Nervous about advertising corporations that are willing to partner and that have a track record of partnering effectively for fear other NGOs will 'steal' them.

In analysing the activities of a range of NGOs we have drawn the conclusion that the best partnerships are those that move beyond the simply transactional. However, not all NGOs feel that partnering through deeper engagement is the preferred method for effecting change. Some prefer to keep their corporate relationships at arm's length.

There are, of course, examples in the public domain that have been publicised in the international press as 'scandals'. Both NGOs and UN agencies engaged in business partnerships have faced a number of direct challenges. Some major international NGOs can be hypocritical in this regard. For example it is said that one NGO publicly turned down a donation of £1m from an extractive company offered to the Tsunami relief effort but went to some lengths to find ways of accessing the money indirectly.

Those NGOs – increasing in number – that willingly (even enthusiastically) engage with the business sector as partners in development, are still able to be realistic about some of their corporate partner shortcomings. As one NGO manager who was interviewed as part of the XSP project asserted:

*"We ask ourselves quite often whether our partnering activities are 'green washing' companies. We also agonise as to whether being funded by a company to do our work, even if through this we raise awareness of environmental issues more widely, is a conflict of interest for an environmental NGO. My personal view is that*

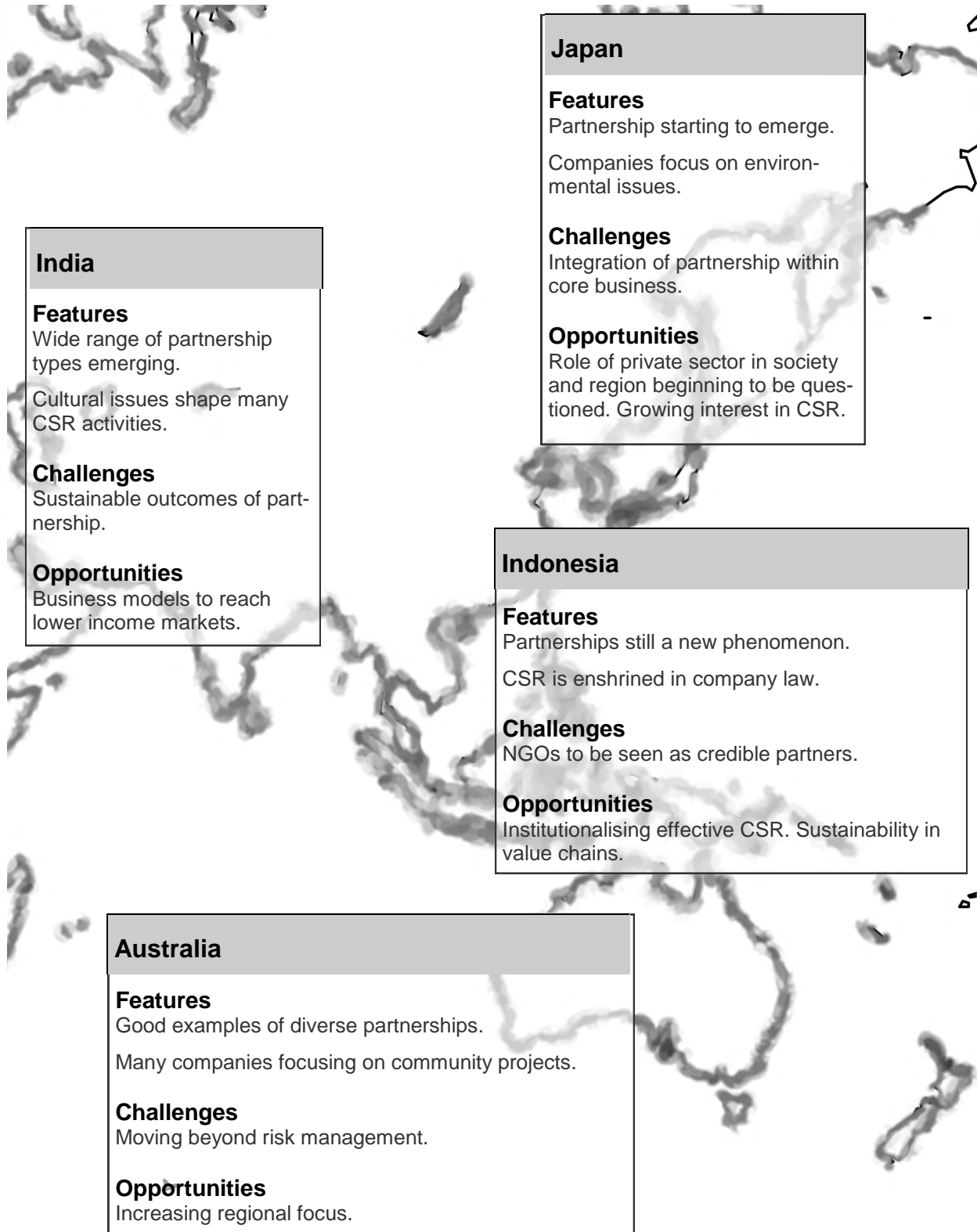
*when we weigh up the moral consequences of our decision to work with business, and because the relationship enables us to get things done more efficiently and effectively, the collaboration is entirely appropriate and justified."*

Those NGOs that are willing to raise the profile and scope of their corporate partnering work are those that address challenges to their decision with confidence and clarity. These NGOs also tend to develop partnerships that impact mainstream corporate practices and make a clear distinction between what the partnership does and what the business does, for example, not endorsing their business partner's products.

NGOs need to be constant and consistent in their partnering. They need to have confidence that an NGO-business relationship built over time can share and jointly manage challenges and problems, it being in both parties' interests to solve the problem constructively. Detailed reviews of one company's partnerships with six NGOs over a five year period revealed that with a high level of confidence in the partner, new problems that the partners and the partnership face become increasingly treated as opportunities for innovation, improvement and renewed commitment.

# Partnering landscape

High level summaries of diverse NGO-business partnership characteristics at a country level\*



\*Based on a synthesis of information from respondents in the countries researched during the XSP project. The features, challenges, and opportunities listed should not be taken as exhaustive descriptions of the countries.

## Partnering landscape (cont'd.)

### Canada

#### Features

Good examples of partnership.  
CSR is mainstream.

#### Challenges

Expanding the range of partnership activities.

#### Opportunities

Using partnership to address issues important to customers.

### UK

#### Features

Wide range of diverse partnerships.  
Devolved and integrated CSR model predominates.

#### Challenges

Mature and competitive market for partners.

#### Opportunities

Value of strategic partnering recognised.

### USA

#### Features

Range of partnerships visible.  
Highly evolved philanthropic models.

#### Challenges

Moving beyond local priorities.

#### Opportunities

Employee engagement. Adopt a more diverse approach.

### Angola

#### Features

Partnering emerging.  
Most relationships revolve around funding

#### Challenges

Moving beyond funding.

#### Opportunities

Leveraging CSR funds.  
Mitigating country risk.  
Collaboration between companies.

### Brazil

#### Features

Many examples of diverse partnerships.  
Growing economy and inequity.

#### Challenges

Linking social and environmental issues.

#### Opportunities

Tackling root causes of poverty.  
Inclusive business models.

### Zambia

#### Features

Range of partnerships visible.  
Economic development in a country where poverty is still high.

#### Challenges

Moving more consistently beyond philanthropy.

#### Opportunities

Strengthening social CSR programmes.  
Collaboration between companies.

## The business perspective

Businesses that have developed close working relationships with NGOs as partners in development are beginning to be more selective in which types of NGO they select and for what purpose. In interviews for the XSP project with business personnel in eleven different countries, a trend emerges :

Businesses tend to prefer to work with **national & local NGOs or CBOs**<sup>10</sup> in relation to:

- Philanthropic donations that will have a direct poverty alleviation or environmental impact;
- Implementation programmes that position the company well with local communities;
- Demonstration projects that will build government relationships and greater licence to operate.

Businesses tend to prefer to work with **international NGOs** in relation to:

- Emergency relief and crisis or post-conflict situations;
- Strategic approaches to global rather than local issues;
- Programmes designed / needing to reach significant scale.

Businesses identify specific benefits for themselves in partnering with NGOs, such as:

- Building greater **employee motivation**, loyalty, and productivity from working for a company that they believe to be acting responsibly and one which takes employee well-being seriously;
- Strengthening **stakeholder relationships**;
- Giving a stronger **licence to operate**;
- Providing opportunities for **positive brand**

**differentiation, market development, and new product/service development;**

- Better **understanding of development issues** from the not-for-profit sector perspective which leads to **organisational learning and system change**.

Whilst an increasing number of businesses worldwide are building sustainable development partnerships with NGOs,<sup>11</sup> it would be wrong to give an impression that within the corporate community the case for sustainable development partnerships has been definitively made or that it is universally welcomed and accepted.

Some leading companies<sup>12</sup> have indeed made such partnerships a priority, integrated them into their mainstream business and are now presenting them externally with conviction and confidence about their value. Others have barely scratched the surface and several are actively hostile to the idea, seeing cross sector partnering as a distraction from the primary purpose of 'growing the business'. They believe their contribution to social and environmental issues is most appropriately made through compliance with national legal requirements and international standards together with the prompt and full payment of taxes.

The panel on page 14 summarises how many companies characterise the range of possibilities for investment in order to achieve specific goals.<sup>13</sup> Companies engage in partnerships with NGOs in order to more effectively achieve their philanthropic, social investment, commercial initiative or core business goals. The closer that a partnership is aligned with the principal line of business, the more focus and investment a partnership is likely to benefit from. Therefore, in this model, the top of the triangle, is not the

necessarily the pinnacle for engagement that one would strive for.

It is not unreasonable for business to regard social welfare and provision of core services (health, education, access to food, water and energy etc.) as primarily the responsibility of the public sector. Indeed, some businesses argue that the more they take on these 'public good' roles, the easier it is for governments to do even less. These considerations seem more recently to be leading business to seek partnerships that have one or more of the following four characteristics:

- Pilot projects / short-term arrangements – with either the express intention of handing over some or all of the programme to the public sector for long-term delivery or finding other ways to sustain the delivery or outcomes outside of the partnership,<sup>14</sup>
- Tri-partite arrangements – including the public sector from the beginning/at an early stage;
- Commercial or income-generating – models of partnership that will be sustainable without continued corporate investment; or
- Strategic influence – aiming at infrastructure development, developing the enabling environment and / or system change.

Those NGOs wanting to partner with business need to understand the changing focus to achieving direct or indirect business benefits. It is increasingly the case that any partnering arrangements that are not seen by the business partners as relevant to their core business are highly likely to be one-off and unsustainable arrangements and / or easily dropped when there is a downturn in their market.

Nevertheless, it is also true that some business leaders believe that there is something beyond

the business case – which is more to do with values and moral imperatives. It seems that just 'the business case' may not be quite the whole picture.

### Headquarters vs field operations

While a multinational's corporate headquarters monitors brand, and sets and monitors policies, private sector social funding tends to be highly decentralised in order to more effectively meet local needs. Therefore an increasing number of large western multinationals set overall frameworks for CSR strategy and social investment, while the majority of decisions are made within field operations.

In markets where the company is domiciled, a "headquartering effect" may take place. This is where the corporate headquarters also focuses on philanthropic and social investments in local communities near the corporate HQ or key national operations. In this case, the objective is to both strengthen their image locally and to motivate employees through active participation in their communities.

As noted, companies often empower local operations to develop appropriate local CSR strategies, in many cases aligned with an overall corporate strategy. Local managers select partners and manage community investment and other initiatives. Local managers have a better understanding of the operating environment, the employees' priorities, local communities and the NGO landscape.

Local strategies often tend to be developed internally, without the support of NGOs. Subsequently, NGOs are used for service delivery of these programmes. This is the traditional 'buyer-supplier' transactional role

**Philanthropy**

Often takes the form of cash or gifts-in-kind (GIK) donations from companies or their employees. In general, companies pursue these types of investments to improve their image and strengthen their local licence to operate.

**Social investments**

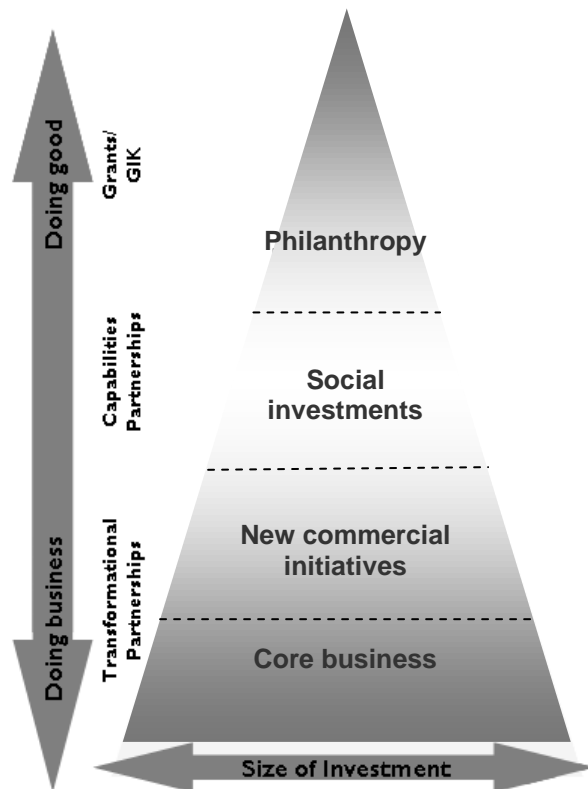
Companies take a more strategic and targeted approach to funding initiatives, often through a more hands-on approach. This may include employee volunteering of non-core skills (e.g. building houses) or core skills (e.g. IT skills), community development programmes, cause-related marketing, or targeted education programmes closely aligned with a company’s principal business.

**New commercial initiatives**

Commercial initiatives are closely aligned with a company’s core business and tend to focus on developing new markets or products and services, which are often targeted at new market segments (e.g. low-income households) in new geographies (e.g. rural areas of developing countries).

**Core business**

Core business investments focus on strengthening the social and environmental sustainability of current operations. These activities range from complying with regulations (e.g. environmental or “local content” supply) to improving the performance of global operations (e.g. ethical supply and a low-cost, diversified supply base).



which most companies are accustomed to playing. Companies will then monitor at a high level the outputs of the investment against a pre-agreed schedule. In more strategic partnerships, companies and their partner NGOs may collaboratively shape and design the programmes and bring complementary assets to effectively deliver the programme (e.g. core skills, infrastructure, contacts).

### Global partnerships

There are relatively few global NGO-business partnerships. This has been attributed to the relatively recent emergence of partnering and the challenges both sectors face with finding global commonalities across operations and footprints. Many NGO-business partnerships that have been undertaken over the last few years have not yet had the time to realise their full benefits before being replicated across additional geographies.

A further reason for the low incidence of global NGO-business partnerships is that NGOs' core competence is often based on their links into, and in-depth understanding of the culture and context of the communities they are working with. A local operating unit of an MNC looking for these capabilities, is more likely to want to make a local choice regarding an NGO partner as opposed to having a global INGO partner imposed on them from HQ, who may or may not have a strong presence in their locale.

Where global partnerships have been noted, these have tended to be based around a globally applicable scientific expertise (such as biodiversity), technology, or advocacy issue.

### Assessing value added

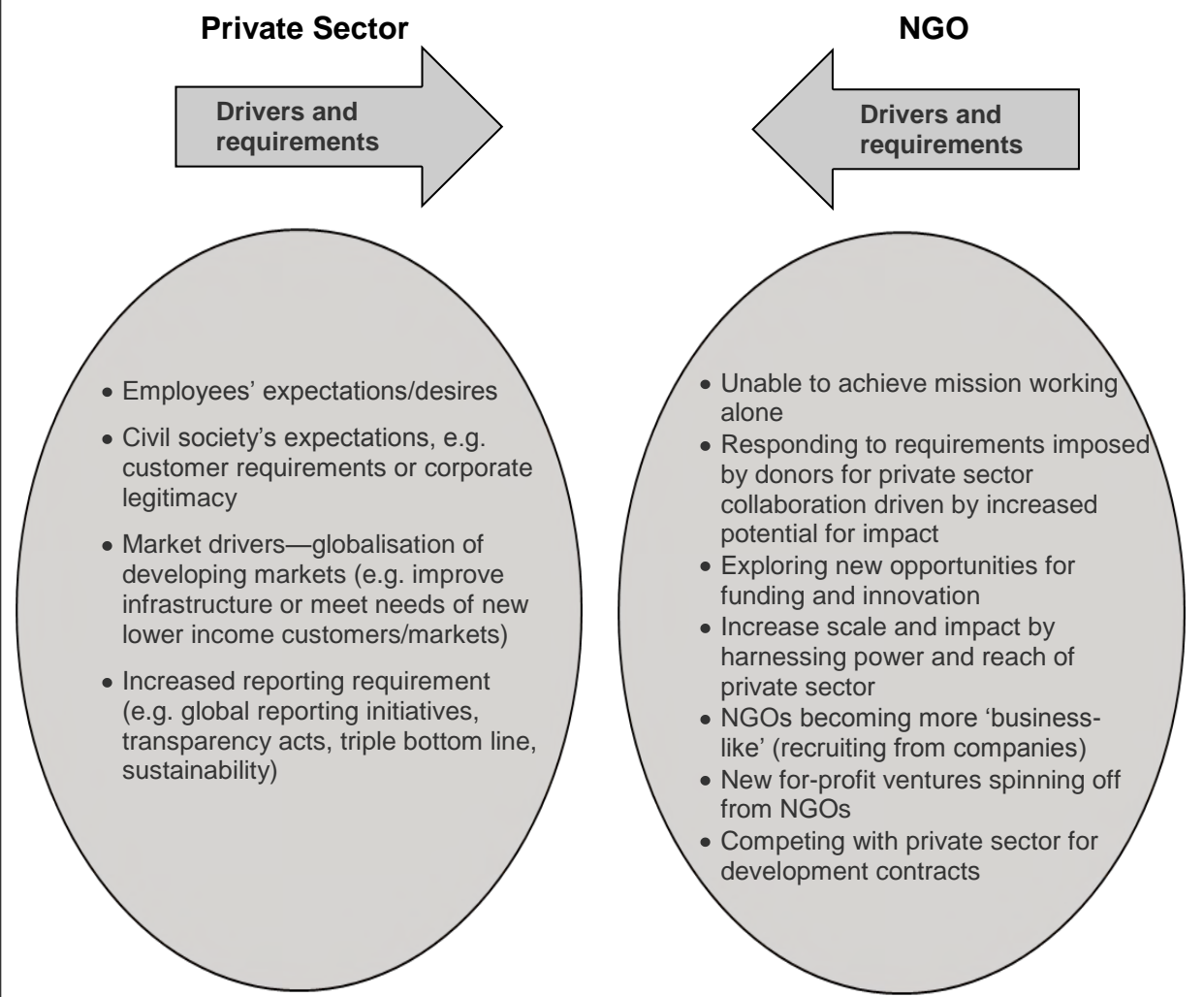
When asked, partners can be quite fulsome about the benefits of their partnerships to their own organisation and organisational priorities – for example the responses shown in the panel on page 16.

But how is 'value added' assessed? This is somewhat uncharted territory but an emerging rule of thumb is that partners should build comprehensive review procedures into their day-to-day work in order to take stock on a regular basis. In a partnership, it is clearly important to the partners to attain their individual organisational goals as well as the partnership's shared goals. If a partnership is to endure or to have enduring impact then this needs to be ascertained on a number of levels and its value properly assessed. All partners need to perceive benefits to their individual organisations in order for partnerships to be sustainable.

## Why should NGOs partner with the private sector?

### Market trend noted in the XSP project

Although the private sector and NGOs are often motivated by different drivers, there are an increasing number of opportunities for collaboration between the two sectors where both sets of requirements can be satisfied.



# Slow-burn challenges

## Partnering myths and truths

Even though cross sector partnership is still a fairly young paradigm (its global birth is usually dated to the Rio Earth Summit in 1992) and it may still be too early to make grand claims for its value, it does seem that the realities of partnering are somewhat different from the rhetoric. The World Bank initiated the *Partners for Development* project, which involved a four year action

research project on tri-sector partnerships. In its mid-term review, the team began to establish that there was an interesting discrepancy between the general assumptions about partnering and the realities when put under the microscope. This was summarised as follows<sup>15</sup>:

Issue	Endearing ‘myth’	Enduring ‘truth’
Aims	Partnerships are shaped around a common vision	The partners see the partnership activities as delivering their individual organisational aims
Drivers	Partner organisations are drawn together by a common goal	Partner organisations are drawn together by the complementarity of what they bring to the table
Context	Partners know each other well and partnerships benefit from a stable context	Partnerships are often most effective in fractured contexts where by their very operation they are building bridges and filling gaps
Champions	Individual champions are key to a partnership’s success	Champions have a very limited function in partnerships – systems and structures are ultimately far more valuable
External inputs	Partnerships work best when locally owned and driven	Even local partnerships can benefit hugely from external inputs and interventions – in terms of sharing knowledge and experience as well as leveraging further resources
Boundaries	Ring-fenced partnerships are likely to be most successful	Innovation in partnerships depends on a more fluid structure if new ideas are to evolve and new opportunities are able to be seized
Costs	Partnering costs are so high they are likely to be unattractive to many	Managed well, and with early investment in partnership-building, costs can be shared and reduced by coordinating not duplicating efforts
Wider benefits...	...occur when the partnership itself reaches scale or is replicated	...occur when all those involved take the lessons and outputs from the partnership and apply them in their own spheres of operation and influence

This material is included to flag up the potential of partnerships created with a conscious **learning** intention. Simon Zadek, CEO of *Accountability*, was an advisor to the World Bank *Partners for Development* project and now leads the field in exploring the issue of accountability in partnerships (or rather, how partnerships **are** de facto accountability mechanisms). He has evolved a three-level view of partnerships in which he sees '**learning**' partnerships as a step up from simply '**project**' partnerships and a step on the way to 'third-level' partnerships which are, in his view, partnerships that **change the rules of the game**.

### The issue of power

A hugely important challenge in partnering is the issue of power. If a partnership is an arrangement based on sharing and on a principle of equity, how are the inevitable power imbalances acknowledged and managed? Is it possible to genuinely build partnering arrangements across considerable divides whether in terms of financial 'muscle' / status / authority / influence or cultural diversity?

A surprisingly large number of partnerships appear to simply ignore the issue. This then leads to arrangements that are partnerships in name only (i.e. when asked, the partners themselves say that in their view they are not involved in a 'real' partnership). The arrangement may survive but it is experienced as a relationship of convenience between unequals rather than a relationship in which there is a genuine balance of power.

Creating a balance of power in an initially unequal partnership takes some conscious effort. It requires some or all of the following:

- Those with less power being actively and consistently given 'space' and genuine respect;
- Those with more power holding back and giving up their natural tendency to assume control;
- Mapping, valuing, recording and publicising the non-financial, less tangible resource contributions of partners;
- Giving credit where it is due rather than where it is assumed to reside or where it is demanded;
- Some skilful management of the early partnership-building and ongoing relationship-management process in order to build the capacity of the partners to value varied contributions and operate transparently.

### Other common issues

Further issues cited by those interviewed (both from companies and from NGOs) were as follows:

**Internal selling** – those at the front end of creating partnerships on behalf of their organisations often report that the challenge of building engagement within their own partner organisation is often significantly greater than that of building cross sector engagement.

**Inefficiencies** – ensuring that sound and appropriate systems are put in place for decision-making, communications and management to back up initial enthusiasm and optimism. It is important that partners face up to the transaction costs involved in partnering and whether these truly are outweighed by the benefits. Inefficient partnerships quickly prove to be unsustainable.

**Leadership** – partnerships often fail because individual egos get in the way and operating

equitably proves impossible. Partnerships involve a willingness to 'let go' – of unilateral decision-making, for example. Leadership means something different in the partnership paradigm. Partnerships that work best are often those where the leadership is shared and jobs are allocated to those who can do them best or who care about them most rather than the person who is most senior (though this could be highly counter-cultural depending on the context).

**Recognising that 'small' is not beautiful enough** – partnerships that do not aim big may not achieve adequate impact when and where it is urgently needed.

### Grounds for getting out

As partnerships become more commonplace and those involved become more experienced, there is increased expectation of what they ought to achieve. There is also less tolerance of poor partnering behaviour and more confidence in challenging poor practice. For example, partners involved in a number of bio-diversity partnerships for several years, were well able to articulate what constituted grounds for asking a partner to leave a partnership or for terminating a partnership altogether. These included:

- A culture of 'dumping' – everyone leaving everything to everyone else;
- All talk and no action – resulting in no outputs or impacts;
- A 'playing safe' approach – partnership seen merely as a way of mitigating risk;
- Unwillingness to have greater influence – on partner organisations, strategy or policy;
- Over-dependence on one or two individuals – failure to share and spread ownership;
- Unresolved conflicts of interest – lack of honesty or willingness to address tough

issues;

- No / poor governance and accountability structures – individual partner priorities continually taking precedence over partnership priorities;
- Too much introspection – partnering for partnering sake, with not enough focus on sustainable outcomes.

# Endless opportunities

*“In the earliest partnerships with business, we simply asked for financial support and even though we called them ‘partners’ we actually treated them exactly like traditional donors. This approach led us inevitably to the corporation’s foundation or their CSR department. Our approach was driven in those days not by issues or geography or even the needs of our stakeholders, but rather by personal relationships, ad hoc engagement and the pressure to fill funding gaps.*

*Then we began mapping out each corporation’s specific interests in the emerging markets where we were working. We began changing our strategy – moving towards joint innovation and doing business together as co-investors. This required a serious learning curve in our understanding of the business sector’s perspective. We had to listen and learn what drives and motivates corporate investment and what constitutes corporate risk.*

*It required us to learn how to speak business language and frame opportunities for their engagement with us quite differently. We are still learning: how to be better negotiators; how we can best present and value the non-financial resources we bring to the table; how to encourage our staff to experiment with different types of engagement. It now seems to us and to our corporate partners that the opportunities are endless.”<sup>16</sup>*

## A-Z of engagement options

The findings from our research into a large number of NGOs and their business partnerships were surprising. An unexpectedly high number of different types of engagement were uncovered – all being described as ‘partnerships’ (see text box opposite). Of course, no single NGO was involved in all these different types. Armed with this information, neither business nor NGOs can

any longer think, as they may have tended to do in the past, that ‘partnership’ is simply a one-size-fits-all phenomenon. This list – drawn from the actual NGO activities that were studied in eleven countries demonstrates a different reality.

Based on this list, seven distinctly different types of NGO-business collaborations have been identified. These are summarised on page 22, whilst on pages 23-28 a number of case studies based on a blend of actual World Vision-business partnerships that aid understanding of these types of activity are presented.

### A-Z of engagement options

- Advisory services
- Advocacy
- Alternative technology development
- Capacity building partnerships – internal
- Capacity building partnerships – external
- Employee engagement
- Employee giving
- Ethical sourcing / procurement
- Facilitating large-scale collaborative initiatives
- Facilitating small-scale local partnerships
- Institution-building partnerships
- Issue-driven partnerships
- Matching product donations/expertise to projects
- Product development
- Product licensing
- Project support
- Resource mobilisation partnerships
- Social business creation
- Sponsorship
- Strategic partnerships

### Evolution

Of course, partnerships rarely fit quite so neatly into a single type – although, as illustrated overleaf, it is common for any partnership to have a leading characteristic (advocacy, business, brokering etc.). But often partnerships are far less easy to define or categorise than these neat types imply. Many start as an open-ended conversation and with a low-level, quick-win commitment that suits both parties and requires minimal negotiation. Then, over time, as confidence in the value of the relationship grows, new elements are explored, tested out and added to the mix. This is illustrated on page 29 in a summary of a locally-driven partnership between the national operations of an multinational company and a local World Vision programme in South East Asia.

Looking back from the six-year-later vantage point, those involved would never have imagined at the outset how rich and productive a relationship this partnership would become. It is an important reminder that some of the best partnering arrangements evolve in unexpected ways and would not be able to do so if the programme of work has to be fixed and enshrined in a contract entirely in advance of getting started.

### Breaking new ground

Finally, it is important to note that some partnerships do not conform to a type at all. These are the more idiosyncratic, radical arrangements, seeking to work through a short-term, break-through approach. Here, the partnership is created as a temporary arrangement with a groundbreaking agenda

where the maintenance of outcomes or other forms of follow-up are handed over to the appropriate sector or one of the partner organisations to handle.

These kinds of partnerships stir things up, cut through the red tape and tend to focus almost entirely on innovative responses to intransigent or critical situations.

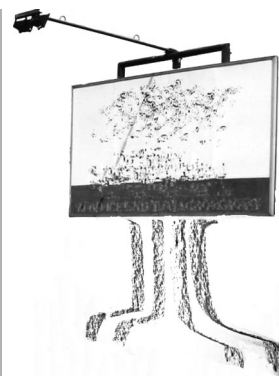
# Partnership types

## ‘Sponsorship’ type

Examples	Characteristics	Limitations/Risks
Donations of: <ul style="list-style-type: none"> <li>• Cash</li> <li>• Products/gifts-in-kind</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on effective marketing</li> <li>• Builds on senior-level relationships</li> <li>• Based on moral imperative/emotional response to poverty or environmental issue etc</li> </ul>	<ul style="list-style-type: none"> <li>• Donor fatigue</li> <li>• Less in line with new generation thinking</li> <li>• A dependent rather than interdependent model</li> </ul>

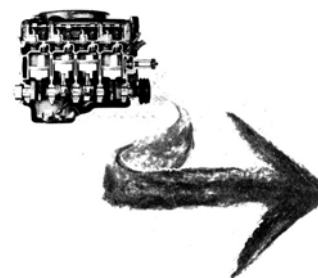
## ‘Marketing’ type

Examples	Characteristics	Limitations/Risks
<ul style="list-style-type: none"> <li>• Cause-related marketing</li> <li>• Employee fundraising/payroll giving</li> <li>• Product licensing</li> </ul>	<ul style="list-style-type: none"> <li>• Building public perception</li> <li>• Widening message reach (i.e. to new donors)</li> <li>• Diversified income stream</li> </ul>	<ul style="list-style-type: none"> <li>• Still largely transactional</li> <li>• Employee/business change of focus/priority</li> <li>• Too strong an alignment with a product</li> </ul>



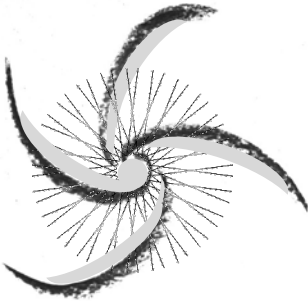
## ‘Capacity building’ type

Examples	Characteristics	Limitations/Risks
<ul style="list-style-type: none"> <li>• Employee engagement (core and non-core skills volunteering)</li> <li>• Capacity building (internal or external)</li> <li>• Institution-building partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Jointly designed projects/programmes</li> <li>• Seeks to bring about changes in behaviour and systems</li> <li>• Essentially about empowerment</li> </ul>	<ul style="list-style-type: none"> <li>• High transaction costs</li> <li>• Intangible returns/value added</li> <li>• Highly inter-dependent (individual organisations lose sole control)</li> </ul>



# Partnership types (cont'd.)

## 'Brokering' type



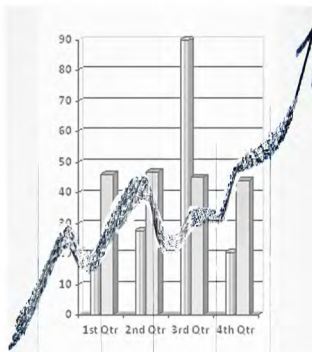
Examples	Characteristics	Limitations/Risks
<ul style="list-style-type: none"> <li>Facilitating large scale initiatives</li> <li>Facilitating local partnerships</li> <li>Matching product donations/expertise to projects</li> </ul>	<ul style="list-style-type: none"> <li>NGO bringing together/ coordinating a range of players</li> <li>Built on principle of more 'transformational' activities</li> <li>Primary focus is sustainability of outcomes</li> </ul>	<ul style="list-style-type: none"> <li>NGOs work - if effective - is often 'invisible'</li> <li>Reliant on sustaining collaboration over time</li> <li>Reliant on a supportive external context</li> </ul>

## 'Advocacy' type



Examples	Characteristics	Limitations/Risks
<ul style="list-style-type: none"> <li>Issues driven partnerships/ campaigns</li> <li>Changing business practice(s)</li> <li>Strategic partnerships aiming to change policy</li> </ul>	<ul style="list-style-type: none"> <li>Convincing 'voice for change'</li> <li>Built on attempts to: reach policy makers/ leaders; have influence and change mindsets/behaviour</li> <li>Has the potential to focus on causes rather than symptoms</li> </ul>	<ul style="list-style-type: none"> <li>NGO potential conflicts of interest</li> <li>Takes focus away from operations/ direct interventions</li> <li>Difficult to track direct impact and therefore to justify investment of resources is complex</li> </ul>

## 'Business' type



Examples	Characteristics	Limitations/Risks
<ul style="list-style-type: none"> <li>Advisory services to improve business practices</li> <li>Social enterprise development</li> <li>Alternative technology/product development (BoP)</li> </ul>	<ul style="list-style-type: none"> <li>'Joint venture'</li> <li>Uses core business priorities as prompt</li> <li>Accepts the business need to be profit-making</li> </ul>	<ul style="list-style-type: none"> <li>NGO 'mission creep'</li> <li>Requires rather different skills / competencies</li> <li>Moving towards a 'purchaser-provider' / procurement arrangement/ outsourcing</li> </ul>

## 'Other'

Examples	Characteristics	Limitations/Risks
Initiatives that are highly innovative, unexpected and 'ahead of the evidence'	Responsiveness to specific circumstances	Outside the mainstream so harder to get buy-in and recognition

## Case Example: 'Marketing' type

### The partners:

- A large health products company manufacturing a wide range of over-the-counter pharmaceuticals and medical supplies
- An NGO with a fundraising support office in the northern country where the company is based

### The problem:

NGO uses 'hygiene kits' containing a basic set of medical supplies and drugs that are essential following a natural disaster. Volunteers purchase suitable products and assemble these kits as part of their support to the NGO. However the kits tend to be of uneven quality, and it is hard to change the components of the kit as new needs become apparent.

### The partnership:

Instead of the NGO dealing directly with volunteers, the company takes this role:

- The company supplies all of the components of the NGO's hygiene kits (left) at a lower-than-usual margin
- The company also delivers the products to volunteer groups, and collects the assembled kits on behalf of the NGO
- In parallel there is a product promotion in which the company makes a donation to NGO's disaster response work for every sale made
- Mutually beneficial relationship founded on long-term funding

### NGO perspective:

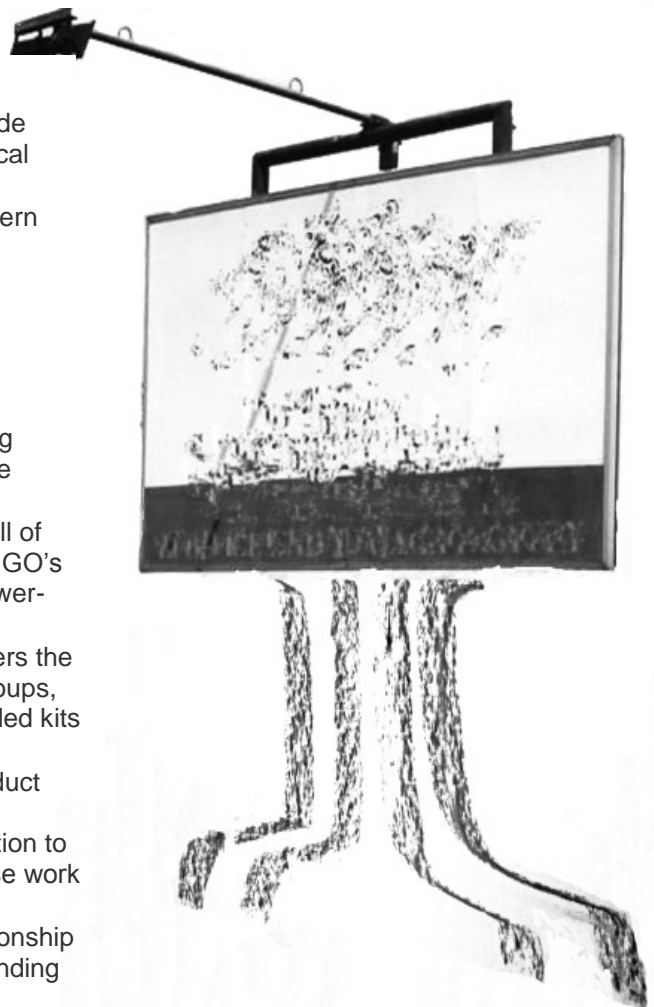
*"We now have much better hygiene kits. We are also able to communicate directly with health professionals about our work after disasters."*

### Company perspective:

*"Our staff love the programme and have made a number of suggestions about how to improve the hygiene kits."*

### Outcome:

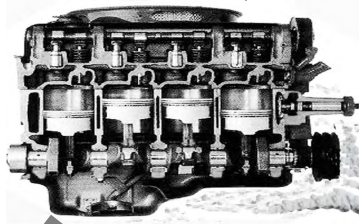
The marketing initiative generates significant new income for the NGO and the product promotion increases sales for the company. There is a surge of enquiries into the NGO's work.



## Case Example: 'Capacity building' type

### The problem:

- Severe shortage of organisational development capacity in many developing countries
- 'Capacity' is the combination of skilled individuals and well-developed, properly resourced organisations and institutions within the public and private sectors, and civil society



**The partnership:** Focused on providing opportunities for employees of the accountancy firm with opportunities to volunteer their professional skills in support of the NGO's work.

### Company perspective:

*"We were so impressed with the NGO that we asked them to share their expertise with us when we developed a new Corporate Social Responsibility strategy."*

### The partners:

- A large accountancy firm, with member organisations across the world. Keen to strengthen its position as a responsible employer
- An NGO with strong programme combining transformational development and emergency response

### NGO perspective:

*"The partnership gave us new capacity to undertake high quality development activities. We also arranged pro bono financial advice for many of the small NGOs that we work with."*

### The outcome:

- The partnership is embedded into the way that the NGO and the accountancy firm work
- Firm reports a new culture of making a contribution to society
- Unexpected benefits for the NGO include recruitment of specialists from the firm's employees for voluntary roles in disaster response

## Case Example: 'Brokering' type

### The problem:

Small-scale farmers in Africa are powerless relative to other participants in the value chain that links their produce with the ultimate consumer.

### The outcome:

Many farmers organised into local farmer-groups, and benefit from higher, and more stable, income levels as a result of their access to the fair trade market and affordable credit.

### Company perspective:

*"Although we can send buyers to individual farms and procure the produce we need at very low prices, it is in our interest that farmers are able to achieve high yields and consistent quality."*

### Partners:

An NGO supporting small farmers, working through a number of local community-based organisations (CBOs) that offer farmers agricultural advice.

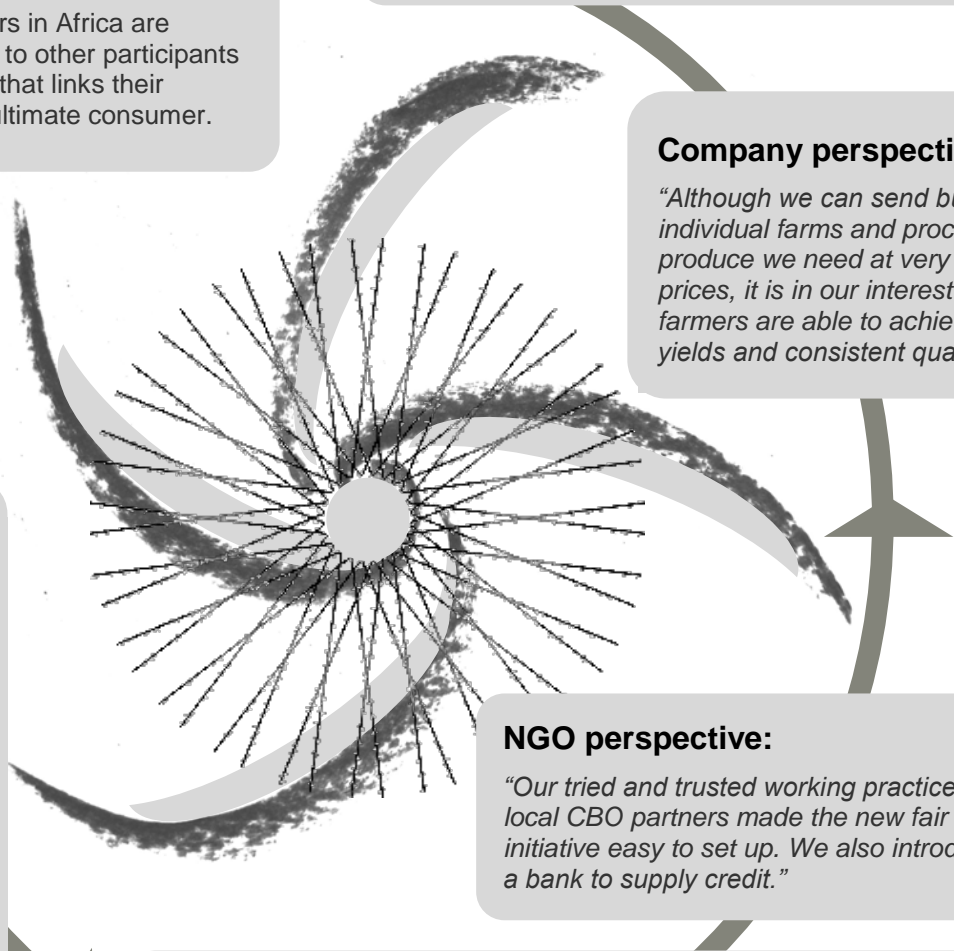
A company making food product interested in tapping into the market for fair trade products in Europe.

### NGO perspective:

*"Our tried and trusted working practices with local CBO partners made the new fair trade initiative easy to set up. We also introduced a bank to supply credit."*

### The partnership:

- Experts from the company identify what is required to grow the quantity and quality of produce needed for the fair trade market
- The NGO brokered a relationship between the local CBO partners and the company. The CBOs support the initiative through their work with farmers
- Additional income from the fair trade sales used to support community projects



## Case Example: 'Advocacy' type

### The partners:

The company works in an industry sector that has a heavy social and environmental footprint in a country in Central Asia where the NGO also has a strong presence.

### The partnership:

- Company and NGO promote the education of girls by influencing government policy and a cultural gender bias
- Partnership enables the NGO to advocate more effectively and reach central government

### NGO perspective:

*"The company wanted to make a donation to build a school. We had to explain to them that what was really needed was for changes in attitudes and policy within the country. They agreed to support an extension of our gender awareness programme at provincial level, and this advocacy programme has resulted in a measurable increase in the enrolment of girls in higher education."*

### Company perspective:

*"Our strategy was to support school building but we accepted that the NGO was better able to understand local need. The campaign has been so successful that the provincial government has been asked to inform the national government about the NGO's work. We have received some very favourable comments in our meetings with senior politicians, and we have been able to lobby them for more support for the programme"*



## Case Example: 'Business' type

1

### The problem:

- Developing country with growing economy
- Companies service emerging middle class markets
- Economically disadvantaged people not seen as customers and so are poorly served
- Inappropriately designed, packaged and priced products for low income customers

2

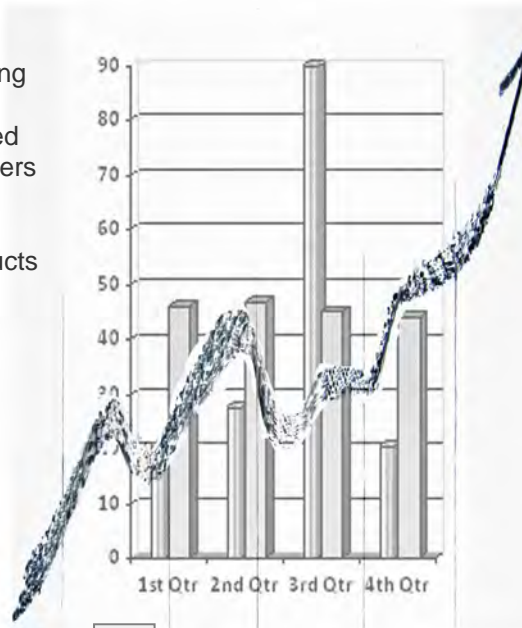
### The partners:

- A large multinational consumer products company
- Strong presence in Asia, had already reached most of the middle class market
- Company's personal hygiene and grooming products valued by lower income groups
- No expertise in the company for selling into low income urban or rural areas
- NGO with country strategy to improve poor people's access to the benefits of economic growth

3

### The partnership:

Pilot the marketing of one of the company's product-lines in three communities where the NGO has well-established programs characterised by highly entrepreneurial self-help groups



4

### NGO perspective:

*"We suggested appointing and training individuals from the self-help group to act as a sales force. They found a ready market for the product, which they sold at around one-fifth the price of equivalent products. The self help group contributed working capital and took a share of profits."*

5

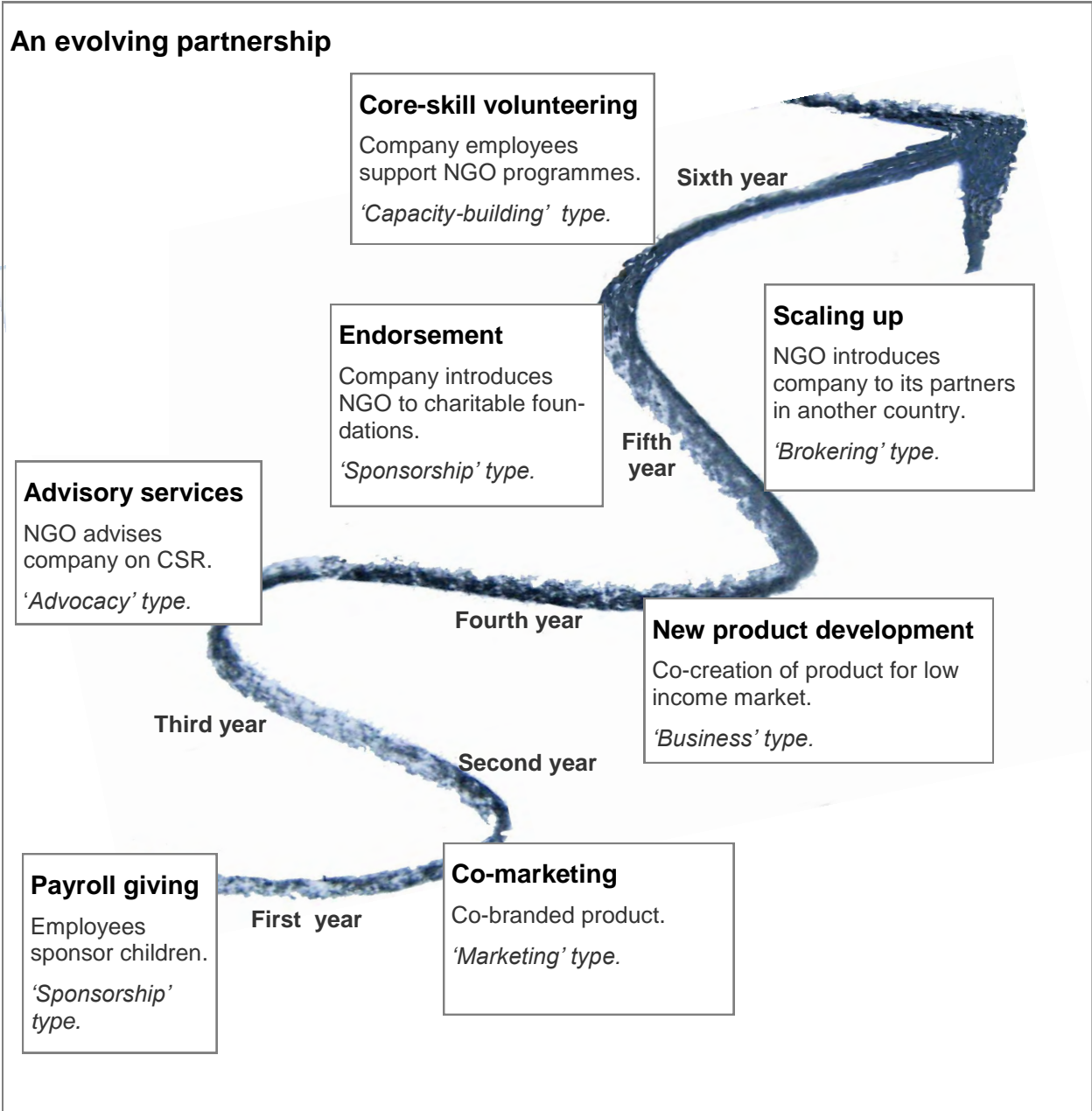
### Company perspective:

*"We appointed a 'new markets' development officer. With the NGO acting as the convenor, we met the community many times, and they told us their preferences in terms of product design and pricing."*

6

### Outcomes:

- Company able to use cheaper materials and reduce the cost of the product whilst maintaining its intrinsic quality
- Self help group members given new respect by the rest of the community
- Economic empowerment results in women playing a more significant role in other community affairs



# Critical success factors

## Generic and specific

A review of a cluster of NGO-business biodiversity partnerships concluded that there were five critical success factors in those partnerships that had achieved their goals over a reasonable period of time.<sup>17</sup> These were described as:

- Fully committed and engaged partner organisations – not just a few individuals;
- Active commitment to ensuring benefits and ‘value-added’ – for all partners;
- Maintaining a learning culture in day-to-day operations – internalising lessons and building from mistakes;
- Genuine respect and increased trust – between the different players;
- Having strategic impact – over and above local successes.

These five critical success factors surfaced repeatedly in the research. They can, therefore, be seen as generic in character to partnering arrangements across cultures, sectors and continents.

In addition, of course, every partnership evolves its own more specific critical success factors – both for the partnership as a whole and for individual partner organisations. In a review of an exceptional and rather radical partnership, the reviewer concluded that its success had been dependent on the following factors:

- The courage and determination of two key individuals in the critical first stages, before broader organisational adoption;
- Imaginative and unconventional thinking and the ability to successfully persuade others (e.g. the international donors) of the value-added of doing things differently;
- An almost exact balance of power between

the two organisations – they genuinely needed each other equally if the project was to go ahead;

- Clear and equal mutual benefit arising from the initial resource transaction – making the transaction costs worthwhile;
- Evolution of the relationship into new areas of collaboration – keeping things lively and producing a host of unexpected and unplanned outcomes that were wholly in line with the individual priorities of each organisation.

## Principles and ground rules

Those partnerships that endure or reach a reasonable level of impact and achievement tend to be those that are underpinned by a number of shared principles and / or operate within a series of agreed ground rules.<sup>18</sup>

Core partnering principles now in common use (in part because they have been actively promoted by The Partnering Initiative)<sup>19</sup> are:

**Equity**— leads to mutual respect between partners through the recognition of the value and contribution that each party brings and its importance in the relationship.

**Transparency**—leads to trust between partners which provides the foundation to strengthen the relationship, deliver measurable and accountable results, and potentially leads to further opportunities for collaboration.

**Mutual Benefit**—leads to sustainability as both partners recognise the value-add from the outputs of the relationship and endeavour to maintain these results.

Whilst these concepts can slip off the tongue quite easily, adhering to them can be challenging

for partners. They may take time to interpret and internalise, but in many partnerships they have proved useful by providing a foundation for the partner relationship and creating shared values between the partners that enable the partnership to stand the test of time.

An alternative approach – also increasingly adopted and with positive results – is where partners co-create some shared operating principles or ground rules. Types of ground rules adopted include:<sup>20</sup>

1. Rules for interacting with other participants
2. Rules for communication outside the process
3. Rules for managing logistics
4. Rules for making decisions

It is a useful tip to keep any ground rules as simple and as small in number as possible while still ensuring that they fulfil their desired intent.

In any event, it appears that time spent considering principles or ground rules at an early stage of a partnership is invaluable to the health and well-being of the partnership as it moves forward and, in due course, as it faces unexpected challenges. The point is that partnerships are new ways of doing business and, as such, they often require some quite radical changes of mind-set and behaviour.

### Fit for purpose partner organisations

*“In thinking about how organisations change, it is worth noting that change may not be best achieved through a top-down, pre-conceived strategic plan, or from the mandate of a single individual. Change can often originate in a series of isolated, almost invisible initiatives springing up simultaneously in many different parts of an*

*organisation or network or even from stakeholders and partners. When these become connected, apparently disparate actions can emerge as a powerful system that will influence the organisation as a whole and its collaborative relationships with others.”<sup>21</sup>*

It is not uncommon for organisations to seek the benefits that accrue from a partnership without being willing to adapt to more partnership-friendly systems or even to adopting good partnering behaviour. Leopards (in whichever sector) prove remarkably unwilling to change their spots. **How do organisations actually become better at collaborating with others, or become generally more ‘partnership ready’?** Experience suggests that those organisations that partner successfully (and this does not happen overnight) have a number of common characteristics. Organisations that partner successfully:<sup>22</sup>

- Promote practical action - they don’t ‘wait-and-see’ or just research possibilities, but actively try out different types and approaches to cross sector partnering through a variety of projects and programmes;
- Experiment—they recognise that there is no ‘one-size-fits-all’ or ‘best’ solution, rather that they must ‘learn by doing’ and by discovering what is most relevant and appropriate for their needs and contexts. To do this, they invariably seek out other organisations that may be quite dissimilar in any number of ways but that genuinely share this ‘spirit of enquiry’;<sup>23</sup>
- Engage for the long term - the relationship has an opportunity to grow and add more value over time as all partners are committed to participating as part of a long-term response to meeting difficult challenges;

- Build internal capacity - by investing in training staff, revising systems and building an internal 'constituency' and appetite for partnering;
- Focus on new possibilities - they consciously decide not to over-control or over-plan collaborative relationships by 'letting go' (at least to some extent) and seeing where and how far a cross sector partnership can lead;
- Modify core business operations of both partners - they bring their partnerships into their 'core-business' and let them influence the way their organisation operates, rather than keeping it out on the periphery, where it has comparatively little internal impact;
- Invest in maximising value - they actively seek ways to deliver the maximum to partners in terms of mobilising additional resources and opportunities, as well as reducing risks and costs, alongside achieving desired outcomes.

### Genuine value-added

Partners need to know that their efforts are worthwhile – that their sustainable development partnership is doing something that any other (non-partnering) approach would not be able to do as well. There is increasing need for partnerships to **prove** that they add value and are not simply time-consuming, second-rate solutions that make things far more complicated than they need to be. **Is partnership merely a passing development 'fad' or is it possible even in this early stage to demonstrate its worth?**

Those of us operating as partnership practitioners need to get SMARTER at measuring partnership impact and value. It will become a critical success

factor in the very near future, if it is not one already.

### An enabling partnering environment

Experience suggests that locally-driven partnerships often produce dynamic and original approaches. Of those studied for this project, it seems that these local partnerships are most likely to flourish where there is:

- A **commonality** of interest between the community, the civil society organisation and the local business;
- A **history** of collaboration and / or evidence of the damage caused by failure to collaborate;
- Existing or easily **accessible relationships** between key players from both sectors;
- An ambition for more **locally-based solutions** that will increase self-reliance and reduce dependence on external aid;
- A belief that locally-driven approaches are far more **likely to find the most** appropriate solutions.

Some countries do not have legislation or government procedures that are supportive to partnership. In these cases, there may be a particular role for the external donor agencies as 'brokers' to government to explain what needs to change for partnerships to flourish.

### Driving change

Partnerships are often talked about as if they are 'absolute' – a fixed structure or vehicle – rather than a phenomenon that evolves and changes

over time. Whilst partners are often prepared to invest considerable time and effort into the partnership-building phase,<sup>24</sup> it is not uncommon once an agreement is signed for partners to assume that the arrangement is now 'fixed' and that they can now entirely shift their focus onto project development and delivery. Where this happens, practitioners report that the energy, innovation and enthusiasm so characteristic of the early phase in their partnerships mysteriously disappear and even the most dedicated individuals appear to believe it is no longer necessary to give creative thought to what the partnership and the partner relationships need next.

It may be more useful to think of a partnership as being in a continuous state of evolution – especially as the partnership has most likely been sought as a mechanism for managing complexity – and that those involved should expect that a partnership will evolve and change during its lifecycle.

### Where does change originate?

Any organisation entering into a cross sector partnership would do well to consider the following seven key areas where questions arise regarding its partnering ambitions:

1. **What are the drivers for change within the organisation that have led towards a partnering approach?** Have these drivers been examined and articulated clearly enough? Is the motivation for partnering driven by a desire to add value to current ways of operating? Or is the motivation to reorient the organisation and the way it operates to be ready to tackle unexpected and unpredictable challenges? Is there an emerging consensus about the drivers for change between key players in the organisation at all levels?
2. **Will the organisation's current stakeholders and constituencies accept and adopt such changes?** How resistant are the organisation's different stakeholders likely to be to a stronger focus on partnering? Why? Can the organisation risk alienating significant stakeholder groups? Is their resistance likely to be insurmountable? How will their views be accessed / incorporated? How will they be consulted / informed / engaged? How might they contribute actively to innovation and creativity in the partnership?
3. **How adaptable is the organisation?** New ways of 'doing business' will require flexibility and a willingness to change. How adaptable are the organisation's culture, systems and staff?
4. **What is the organisation's track record of (effective) collaboration?** To what extent is current work the result of collaboration (ie the joint identification of needs and solutions with other stakeholders)? What are the organisation's current collaboration strengths and weaknesses? How have lessons from other forms of collaboration been internalised and built on by the organisation?
5. **How well does the organisation communicate internally?** It is notoriously difficult for large organisations to systematically internalise learning and evolve coherent approaches to change, whether this is in relation to networks, operations, field offices or supply chains. Can the organisation create a two-way communication system that engages at all levels?

6. **How desirable is the organisation itself as a partner?** If not, what needs to change to make it a 'partner of choice' for those with which it would like to collaborate? Is it likely to be different at international, national or local levels?
7. **Where does the organisation want to be with its 'partnering agenda' five years from now?** Does the organisation know? If so, how will it get there? If not, how will it find out? Once it has found out, how will it arrive at organisation / network / stakeholder-wide consensus?

These may not be the only questions, but they are a reasonable starting point for assessing an organisation's readiness for partnering and in helping to identify where effort may need to be invested to improve its capacity to partner effectively. The research and reviews undertaken by the XSP project revealed that effort invested in building quality cross sector relationships is one half of the equation. The other half is the effort invested by each organisation in becoming fit for purpose as a partner. Typically, some considerable effort goes into the former, but the latter is often neglected.

## Conclusions

The maturity of the 'partnering market' has been demonstrated to be quite varied across the different geographies in which World Vision operates. However, across these wide-ranging contexts, NGO-business partnerships come in all shapes and sizes; from short-term exchanges of generic resources, through to long-term, multi-faceted partnerships which require deep mutual understanding of complementary capabilities and capacities.

The analysis of the research undertaken during the XSP project has enabled a long list of partnering opportunities to be categorised; for example, 'brokering' partnerships have been identified where the key role of one of the partners is to draw together different actors from the two sectors to take advantage of an emerging opportunity. 'Business' partnerships have leveraged quite differing competencies of the respective NGO and business partners, for example, to bring to a low-income market a product or service previously unattainable to 'base of the pyramid' consumers. Whilst the opportunities may be endless, partnering is not an easy option. Issues of power inequalities, high transaction costs, and clashing organisational cultures remain challenges which must be surmounted if NGO-business partnerships are to deliver the benefits that both civil society and the private sector are striving for.

A range of *push* and *pull* factors have been identified motivating NGOs and businesses to work in collaboration. At a global level, an increasingly complex, polarised and turbulent world, promises an environment in which multi-sector approaches to intransigent issues may be

the only solution. From a grass-roots perspective, it should not be forgotten that whilst collaboration may be viewed as an **option** for anyone reading this paper, for others it is a **necessity**.

*"We may be poor, but if we didn't know how to collaborate, how would we have survived this long?"<sup>25</sup>*

Perhaps it will come to be recognised that the initial attempts at partnering reported here, in order to tackle poverty, conflict and inequities, are just the earliest expressions of a way of living and working together that will increasingly become the new 'business-as-usual'.

# References

- 1 NGO leader interviewed for the XSP project.
- 2 See inside front cover for details of the number, range and location of all of the organisations that were interviewed / researched as part of the World Vision project.
- 3 The experiences of many of which have informed this report .
- 4 It is important to remember that in several languages there is no single word for 'partnership' and that thinking should not be based on a 'Western' perspective or assumption that everyone shares the same understanding of the term when work is cross-cultural.
- 5 This is a generalisation - there may be circumstances where the relationship breakdown between sectors is so serious (for example, in post conflict situations) that forming a partnership is quite legitimately an end in itself.
- 6 For details of the XSP - Cross Sector Partnership Project - see inside front cover.
- 7 'Fit for Purpose' is the title of the next in the Partnering Toolbook series being produced by The Partnering Initiative (December 2008) – see [www.ThePartneringInitiative.org](http://www.ThePartneringInitiative.org)
- 8 Michelle Evans, partnership practitioner from the aborigine community in Australia, working for many years to build cross-cultural partnerships that will give her community a stronger voice in decision-making processes that impact their lives – speaking at The Partnering Event, September 2007.
- 9 Derived from "Co-creating Business's New Social Compact". Bruggmann and Prahalad, Harvard Business Review February 2007.
- 10 Community-based organisations.
- 11 For a more detailed insight into this topic please see definitive publication: Business Partners in Development, Jane Nelson, IBLF, the World Bank and the United Nations Development Programme, 1996 – available from IBLF.
- 12 For example Shell, Nike, Rio Tinto, BP, Vodafone, Nokia, Anglo American, Microsoft, Cisco and Unilever among many others.
- 13 This model is derived from the London Benchmarking Group's work — see [www.lbg-online.net](http://www.lbg-online.net)
- 14 We are differentiating here between 'short-term' corporate engagement such as donations to the CEO's charity of choice and 'temporary' collaborative programmes of work that are of strategic or operational importance to the core business but will benefit from being mainstreamed when the time is right.
- 15 Adapted from: *Endearing Myths, Enduring Truths*, Zadek, Tennyson et al, 2000.
- 16 Taken from an interview with a programme manager of an international NGO working in Indonesia.
- 17 *Getting Real: The Challenges of Sustaining Biodiversity Partnerships*, IBLF / IUCN, 2002.
- 18 Typically enshrined in key documents such as a Memorandum of Understanding (MoU) or a partnering agreement.
- 19 As articulated in *The Partnering Toolbook: The Essential Guide to Cross-sector Partnership*, 2003, published by the Partnering Initiative which is now available in 16 languages and in wide use by partnerships in many different parts of the world.
- 20 This list is adapted from the Partnership Brokers' Accreditation Scheme, Michael Warner, ODI.
- 21 Rafal Serafin – Development Director, IIBLF, responsible for developing IBLF's institution-building programme.
- 22 These conclusions are drawn by Rafal Serafin from his many years of partnership case study work.
- 23 The partnership arrangement between ADP, World Vision International and The Partnering Initiative could be seen as an illustration of this.
- 24 Also not forgetting that some multi-partner and more complex partnerships can take three years to get to the point of signing an MoU.
- 25 Person in India talking about his village's partnership with a local supplier to TATA Steel.

# Notes

*“Partnerships that work well are flexible, creative, dynamic, fun and open to challenge and change. They involve: high levels of trust and commitment, solid management frameworks, constant feedback and reviews, quick response times, good personal chemistry, concrete outcomes, being embedded in each partner’s own institutions, tangible objectives, brand similarities and structural compatibility.”*

**Senior partnership manager  
International Mining Company**

*“Partnerships involve compromise and an ability to see common agendas and shared aspirations, so that value is added to all partners, separately and together. Partnerships involve a greater degree of trust and commitment than other forms of collaboration, since developing and managing a partnership properly requires a big input in terms of time and effort. But if they lead to greater scale and sustainable outcomes, the effort is definitely worthwhile.”*

**Senior partnership manager  
International NGO**

