

**Creating a Hybrid: Collaboration Between Not For Profit Organizations and
For Profit Corporations.**

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The not for profit organizational system is highly important within today's society, if for no other reason than to act as a safety net for individuals and ideals that are not supported by the mainstream, profit driven paradigm. The organizational structure of some of these non profit organizations, with dedication to the mission the main and sometimes sole focus, sometimes means that financial gain and or stability is ignored. Monetary gain alone is by no means the goal of a not for profit organization, but in some should be looked at seriously keep the non profit a vibrant, long standing and functioning entity able to support it's mission. Certain consideration should be given to partnerships, alliances and collaborations. These are all ways in which the not for profit organization can utilize the strengths and experience of outside sources, more specifically corporate entities. This by no means is a one sided relationship, just as a corporation can help a not for profit build on its own organizational philosophy and organizational structure, corporate entities also gain from experienced not for profit organizations as they widen their view from profit driven ideals into a more diverse community support system. As the not for profit and corporate entities team together the hybrid style structure helps both organizations gain more strength, versatility and creativity by utilizing the natural abilities of each independent organization.

The purpose of this synthesis paper is to explore concepts and ideals of combining non profit organizational structure and for profit corporate structure, as well as how the culmination of the cross-sector collaboration ultimately strengthens both entities. I will accomplish this purpose by reviewing points of discussion raised in two graduate courses; AAD 520: Event Management and AAD 606: Read and Research, at the University of Oregon. I will also utilize information gathered by interviewing Steve Remington, Director of the Oregon Truffle Festival. I will be illustrating my point of view on collaboration through a brief case study of the Oregon Truffle Festival (OTF).

Collaboration Basics

In today's constantly evolving economic atmosphere, all organizations can benefit from thinking strategically and welcoming opportunities for cross-sector collaborations. Before these alliances can be formed, organizations need to systematically answer the who, what, why, when, and how of creating, developing and managing newly found relationships. The difficult task of selecting "who" to partner with requires organizational leaders to find the right fit between existing mission, organizational value, current and future needs as well as seeking fulfilling desired skill sets.

To clarify "why" an organization should collaborate it is necessary to get specific about the function and value of the collaboration in terms of how it fits

the overall strategy and strengths of its existing organizational missions. This investigation contributes to a truly symbiotic relationship.

Understanding “what” type of collaboration should be utilized to best fit the specific organizations needs is a difficult question to answer because of the numerous varieties of collaborations that can be formed. Finding the type of collaboration that best fits the operational structure of the organization’s given circumstance takes time, self understanding, and a comprehensive understanding of any possible allies.

Timing is everything and “when” to collaborate could very well be the most important piece of the collaborative puzzle. When to collaborate is a culmination of knowing the why to collaborate, the with whom to collaborate, and which type of collaboration is the best fit for both organizations involved. When the aforementioned questions are sufficiently answered both organizations are on the brink of beginning a collaborative effort with their partner of choice.

“How” the collaboration takes place can often be a slow process that might start as two organizations realize a certain need and cautiously take steps to see if a specific relationship is viable over time. If the two organizations see advantages within the alliance the optimum stages of collaboration can then begin to grow. This is not to say that a serendipitous partnership might not occur. Being well educated on your own values and needs, keeping the lines of communications open and utilizing multiple sources could mean a new partnership can emerge at any time.

Within these investigations there are three degrees of interaction between not for profits and corporations: the philanthropic, transactional, and integrative levels. (Austin, 2001, p. 56) Each of these segments generally develops over time and can very often lead to the next stage of partnership between two organizations.

The most common stage is the philanthropic, wherein the relationship between the non profit and corporation is based on charitable donor and recipient. Within this stage the interaction between the two organizations is generally limited to annual solicitations from the non profit organization. Ultimately this might simply enhance the corporation's reputation as a community supporter while the non profit receives some level of funding. Minimal interaction and communication are needed to exist within this stage, and although both parties receive some form of benefit, neither organization is connected to its partner's mission.

The transactional stage is a more hands on exchange where both organizations utilize their resources through a specific activity such as event sponsorship, marketing plan, or paid services agreement. This stage, especially for the corporation, begins to engage the operations at a business level utilizing the marketing department rather than the philanthropic staff. Within the second stage there is combination of interaction between personnel and the connection between motivational and developmental strategies. There are other important exchanges happening as well, such as clarification of strategic fit. As the

complexity of the alliance grows, an understanding of the nature and magnitude of the benefits begin to multiply. The transactional stage is mutually beneficial to both parties involved if for no other reason than to effectively open up lines of communication and learn more about the mission of the partnering organization.

The third stage is the integrative stage. At this stage the organizations begin to experience a collective action and organizational integration. This partnership looks at joint ventures that are centralized between both entities. One key to recognizing this stage is the mutual mission relationship where both organizations' cultures are influenced by one another. Here the processes and procedures are instituted to manage the growing complexity of this truly symbiotic relationship.

By understanding the key points in each of these stages, organizations can better categorize relationships and understand the key points of each stage. Once organizations understand where they are they can adjust strategies to fulfill ultimate goals.

Problems with the Market Place

Cross-sector collaborations are imperative and occurring more and more often from sheer necessity as rapid structural changes are being generated by political, economic and social forces.

Over the last decade there has been a drastic change in the size and role of the federal government's responsibilities. The time of an ever growing national

government is at an end. No longer will the federal government alone solve society's problems, and with this occurrence there is much more pressure put on the private sector to solve some of the growing issues. This shifting of responsibility is increasing the demand on non profits and the business sector alike, bringing the two organizational structures towards further efforts of collaboration.

Economic forces are closely tied to the ever changing patterns within the political realm and have led to hardships for the non profit sector growth, as they see less governmental assistance to help fund their socially important organizations. With very little government funding provided, we see more non profit organizations chasing less and less funding. It is at this point that the non profit entities are turning their attention to the private business sector for guidance and assistance. These new alliances stem from necessity but are now starting to create an even stronger hybrid organizational structure formed by cross-sectional collaborations.

The size and complexity of social and economic problems are not diminishing. Non profit organizations are expected to be a major source of relief. Necessity has given rise to the cross sectional partnership of the not for profit and for profit. With the ever changing political scene these alliances will continue to be ever more meaningful and important to the inner working structure of our shifting society.

Ensuring a Fit

Alliances are vehicles for achieve goals and missions. Alliances should be looked at as an important part of any not for profit or business strategy. It is pertinent for all organizations to think strategically about their strengths and weaknesses before considering collaboration.

As organizations begin to further examine themselves and clarify their ultimate purpose, understanding how and why a collaboration can assist them in creating a path to fulfilling the organizations wants and needs becomes more clear. Doing an infrastructural overview to fully understand mission is priority one. The values held by the organization, as well as the strategies currently being utilized to drive the organization to it's goal will be key foundational unification that adds to the overall strength of any organizational partnership.

The clarification of an organization's needs, wants, and ultimate goals are all tied to the very important mission statement. The point where two organizations' missions mesh becomes fertile ground for a collaborative action. Discovering all of the productive intersections of a mission fit requires careful scrutiny. Taking time to experiment uncovers new opportunities for new collaborations; therefore it is healthy to grow these relationships incrementally.

Alliances between for profit and non profit organizations need not be overly ambitious in the beginning. On the contrary, a getting acquainted time period mixed with patience and perseverance is the best way to build a strong bond while building confidence between the organizations. A simply

constructed plan that has in mind both organizations strengths and weaknesses can create a bond that will allow growth for both partners over the long term. Foundational strengths of long standing relationships are based on some form of common ground that ultimately creates a better opportunity to unify the alliance and strengthens the partnership over the course of time. As the organizations explore their missions as well as ideals common ground can be found or even created. The point here is that the more each organization knows about one another the more opportunity there will be a connection worth following up on. Honesty, communication and creativity are all part of the alliance building process, and more often than not this type of connection comes from the top of the organization and is filtered down to the employees of these entities, although the reverse can happen as well.

“The best non profit organizations begin with truth and end with fidelity to their mission.” (Light, 2002, p. 112) In regards to collaboration, when a non profit organization has its mission focused and defined true to their passion, they can then look for a business organization that has the same feeling about the ultimate goal of the partnership. The strongest bonds are made when foundational beliefs are in unison.

“Develop quality criteria and measure for the event tangibles: reliability, responsibility and assurance.” (Getz, 2005, p. 176) It seems Getz is simply stating that not for profit organizations should operate as a professional organization. It only stands to reason that well organized, securely structured non profit

organizations are better suited to align themselves with a successful business, if for no other reason than successful businesses are well organized and securely structured.

In the ever changing environment of not for profit event management it is the job of the organizational director to stay educated on the current trends of the day, staying flexible enough to not break in these turbulent times. “We want organizations to be adaptive, flexible, self-renewing, resilient, learning, and intelligent.” (Wheatley, 2005, p. 32) This type of organization will be better able to find alliances to keep the mission alive, not to mention the organization itself.

Generating Value

Generating a strategic fit between two organizations is an accomplishment in and of itself, but defining, creating and sustaining value is the true test to measure the staying power of an alliance between two organizations.

Defining value within a partnership can be looked at as a sum greater than its parts. But before set values can be placed on two or more unified organizations it makes sense to look at what possible advantages that each organization might receive as part of a newly found collaboration. Partnering benefits for a non profit organization might include financial resources, services or goods, technical expertise and technologies, access to other corporations, enhanced name recognition and new perspectives to lingering issues. Benefits for corporations might include an improved public image, higher employee

morale, recruiting of more desirable job candidates, increased consumer patronage and market share, and enrichment of corporate values and culture.

The sum of the part generating a greater value is often times looked at through what gains society receives from the collaboration of these not for profit and corporate organizations. More often than not the non profit organization brings to the table, through their mission expectations of enhanced social purpose, a well defined plan that ultimately leaves society a better place than before partnership took place. Some general examples of this type of work would include expanded and better developed community service, enhanced focus generating more awareness of specific issues, work provided motivation and inspiration to other corporations. Another advantage would be non profits and specific individuals becoming more involved, as well as serving as a catalyst for more collaboration. Individuals in turn can do more community and social work.

Within the value creation category, there are three general types of resources that can be looked at. These are the generic resource transfer, core competencies exchange and finally the joint value creation. (Edersheim, 2007, p. 189)

The generic resource transfer can be seen as a basic value addition to the collaboration, named such because the resource that is brought to the table could have been provided by one of many different companies, be it corporate or non

profit. This level of value is foundational and can very often lead to more important ties between the two organizations.

Core competencies exchange is much more closely tied to each individual entity, meaning specific organizational resources, as well as competencies, are being provided independently by each organization involved within the collaborative effort. This in and of itself creates a level of value because each member is providing something that practically no one else could, so the partnership begins to strengthen and grow as it becomes more specified.

Joint value creation is the culmination of combined efforts between all entities involved within the collaborative effort, creating completely new and different products or services. This being the highest valued creation system possible, simply because it is solely unique to the hybrid entity involved and simply cannot be replicated by any other organization. At the point where this level is reached there becomes a real synergy between organizations and the term hybrid can realistically be applied.

Sustaining the value of a partnership requires continual effort. There is the ever present force to renew or generate different resources and or products simply because over time certain benefits may become less useful or not viable at all within the ever changing society. This perpetuates the idea of continual innovations and creation of new value adding collaborative activities, and ultimately the capacity to renew is a must within the environment of a vibrant partnership. A partner that does not generate new value is likely to be replaced

by an organization that can continue to create. Replacement is not taken lightly within cross sectional efforts and generally is done only when the two organizations are still within the early stages of the collaboration process.

The Oregon Truffle Festival

The relevance of cross-sector alliances is enormous when considering the assistance it can bring to any not for profit event management organization, whether they are completely engrossed in social consciousness, community building or simply supporting the arts. It will be the job of the event management teams to flush out their missions as they look to build relationships with local, and even national, business organizations.

During the Event Management class in the winter of 2007, I was fortunate enough to experience first hand the OTF as a volunteer. The experience was enjoyable, entertaining and interesting enough for me to ultimately write a case study about the event for this class. The following information is part of that case study and conveys what I find to be wonderful examples of the collaborative process.

Founded in 2005, the OTF is just beginning to educate the local population on the earthy elegance of its regional truffle crop. Held on the last week of January, this three day event has educational seminars and forums to inform its participants on growing, harvesting and preparing of these tasty tubers. The festival also plays host to many local wineries, chocolatetiers and cheese makers

as part of its open market during the festival. Within its two year history the OTF has doubled it's attendance. The majority of these participants are from outside the state of Oregon while quite a few of them are international.

The OTF is a Limited Liability Corporation (LLC), which makes it a for profit organization that allows festival organizers to utilize self proprietorships to fulfill diverse needs within the organization. Other than helping save money and utilize the talents of the part time staff this standing also creates a versatile and creative atmosphere. The LLC tax standing is also a nice fit for the truffle festival because at this point the operational procedure is not a full time year around organization.

This Eugene based truffle event partners with non profit organizations, educational entities and for profit businesses around the community to create unified efforts that promises deep roots to this young and very exciting new local festival. Non profit organizations such as Cascade Mycological Society and North American Truffle Society partner with the OTF and assist as fiscal agents in all of the educational workshops. Both of these non profit organizations supply lecturers and informative materials during the event itself as well as technical expertise to the festival and it's participants about the growing and gathering of local truffles. Both of these non profit organizations generated enough money from the truffle festival in 2005 to purchase a wide array of merchandise and books that were sold at the 2006 truffle festival. The economic advantages of this partnership are a benefit for these growing non profits and

result in extra income. Just as important to the non profits is the opportunity to help grow and sustain the OTF so that they can continue to promote their own organizations and the missions.

The OTF gains certain advantages in partnering with these non profit organizations. By borrowing the 501(c) 3 tax designation of the non profit organizations, the truffle festival can bypass workman's compensation issues and better utilize the much needed volunteer base which helps run the rapidly growing festival. (Steve Remington, Event Management, 02/13/2007) By incorporating an educational facet the festival gains more respect for themselves as up and coming players in the world of festival de truffle. The OTF has no full time or part time personnel and utilizes 30 to 50 volunteers including students of Lane Community College Culinary Institute. This specific partnership is a highly synergetic collaboration because the students of the culinary school learn from top chefs around the world, brought in by the truffle festival. The festival itself secures a location to hold specific events and receives free labor, while information about truffles is spread to a wider audience that in turn should create a faster growth rate for the event on a year to year basis.

The economic and cultural impact of this festival can only be called a positive experience for all parties involved. The festival is helping to grow a new local and regional industry: the truffle. This new industry creates new jobs such as truffle growers, harvesters and entrepreneurial spirits who will create truffles products as well as other creative ventures. The new industry will also help the

continued growth of local and regional restaurants and wineries that explore this culinary delight. Retailers, the hotel business, and the surrounding areas will also get an added boost to its economy during the wintry season. The local cultural community will have more eyes and ears on them. The artists, the theatres, and music of all kinds will flourish as the multitudes experience this unique and enjoyable region. The natural beauty of the Northwest will perpetuate the excitement of truffle festivities to draw more people in. The non profits directly involved in the truffle industry receive more publicity for their organizations while the truffle festival itself continues to grow and prosper.

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