Strategic Restructuring & Partnership Models

AESA Summer CEO Conference 2013 – Mystic, CT
Ron Fielder, University of Iowa
Overview

- The Collaboration / Partnership Movement
- The Context: trends, opportunities, etc.
- La Piana Partnership Matrix
- ESAs & Partnerships
Our Current Focus On Partnerships

“We can see the beginning of a new story beginning to emerge…..a new narrative spread across a number of different disciplines where cooperation, collective action, & complex interdependencies play a more important role than competition & survival of the fittest.”

Howard Rheingold: writer, designer, theorist, & community builder. 2005 TED Talk
From the recent Clinton Global Initiative annual meeting, June 2013 in Chicago. Titles of two plenary sessions:

◆ Together We Can: Driving a Future of Shared Responsibility & Shared Benefit

◆ Cooperation & Collaboration: A Conversation On Leadership
The Context

- Effective leaders understand that the need for organizational strategic planning, restructuring, or design should be based primarily on what is going on outside the organization. These approaches are all about re-positioning the organization for success in its context. Thus context is critical!
Current Trends Affecting Non-Profits

- Demographic & Generational Shifts
- Economic & Political Uncertainty
- Technology & Networking Developments
- Increased Diversity
- Changing Organizational Boundaries
- Virtual Work

David La Piana, May 6, 2013
“Our nation’s nonprofit organizations are under increasing pressure to show dramatic results.....Successful nonprofits must act on an even greater scale of impact through organic growth, replication, or franchising of their service model. Those who do not rise to the twin challenges of results and scale risk flagging support, irrelevance, even censure from an impatient public. In this environment successful nonprofits are not just service providers, they are “game-changers!”

David La Piana, November, 2012
Other Trends

April 2013: 250 early career social sector professionals gathered in Chicago to explore new paradigms of leadership. Their “new realities:”

- Business Model Failure (public sector fiscal crisis and the fraying of the social contract)
- Brand Erosion & Reputational Risk
- Leader Shift (new generation of leaders & models)
◆ Evolving Technological Landscape
◆ Policy

(Implementation of health care reform, changes in Social Security benefits, immigration reform, and any number of other major policy shifts will profoundly impact the social sector and those it serves.)

The Call: more communication and partnering across sectors & transcending barriers and bridging worlds!
Other Trends Affecting ESAs

◆ Demographics
  
  Diversity: Minority-majority society
  
  4 Generations

◆ Economics
  
  Declining Public Dollars
  
  Focus on Efficiency & Shared Services
  
  Escalating Costs
◆ Workforce Crisis

Retiring Boomers

Talent Shortage

Workforce Diversity

Cost of Health Care

Part-time employment

◆ Innovation & the Focus on “Design”
Disruptive Technologies

Hardware / Software

24/7 Interactive Access To the Web for All

Virtual Reality / Gaming

Communication & Networking

Education

High Quality Content Available to All!
Time was the constant, achievement the variable – Today, achievement is the constant with time being variable.

Focus on Competency / Standards Based Personalized Learning

Focus on Certification/Endorsement Not Seat Time

Changing Roles for Educators
Flipped Classrooms

School Building Focus on RTI, Direct Instruction, Authentic Intellectual Work, etc.

College Credit in High School

Higher Education Under Fire

Regional Action/Innovation Networks
Models of Collaboration

The Collaboration Prize

Models of Collaboration: Non-profit organizations working together

The Models:

1. Fully Integrated Merger
2. Partially Integrated Merger
3. Joint Program Office
4. Joint Partnership with Affiliated Programming
5. Joint Partnership for Issue Advocacy
6. Joint Partnership With the Birth of a New Organization
7. Joint Administrative Office & Back Office Operations
8. A Confederation
“Strategic Restructuring occurs when two or more independent organizations establish an ongoing relationship to increase the administrative efficiency and/or further the programmatic mission of one or more of the participating organizations through shared, transferred, or combined services, resources, or programs. Strategic restructuring ranges from alliances like jointly managed programs to organizational integrations, like full-scale mergers.”
Strategic Alliances

1. **Administrative Consolidation** – sharing, exchanging, or contracting of administrative functions.

2. **Joint Programming** – joint launching of one or more programs to further the programmatic mission of the organizations.

3. **Joint Earned Income** – a revenue generation activity that occurs when two or more organizations jointly create an earned income activity.
4. **Joint Advocacy** – when two or more organizations combine their advocacy efforts either on a single issue/time-limited basis or for ongoing advocacy campaigns.
Types of Integrations

1. **Management Service Organizations** – creation of a new organization in order to integrate administrative functions. Shared staff & leadership, but allows for programmatic autonomy.

2. **Joint Venture Corporation** – new organization to further a specific administrative or programmatic end of two or more organizations – shared governance.
3. **Parent-Subsidiary Structure** – an integration that combines some of the partners’ administrative functions and programmatic services….a new organization or existing parent organization forms.

4. **Merger or Acquisition** – integration of all programmatic and administrative functions…..two or more organizations dissolve into newly created one.
ESA Roles in Partnerships

- A Participant
- A Catalyst
- A Convener
- A Facilitator
- A Designer
- An Evaluator
ESAs As Partners With:

- Other ESAs – in state and across states
- Local/Area Schools or Districts
- Colleges &/or Universities
- For-Profit and Not-for-Profit organizations
- State Departments of Education
- State Associations
- Regional & National Vendors
Keys to ESA Partnerships

- Study the Emerging Literature About Partnerships
- Hear and understand what others want and need out of the partnership
- Establish written prior mutual expectations
- Frequently review the partnership parameters
- Periodically evaluate the effectiveness of the partnership
If you think that someday you might be a partner to someone or an organization, don’t be an HOLE today.