

COLLECTIVE IMPACT: MOVING BEYOND THE ZERO-SUM GAME



One major strength of American nonprofit efforts is the entrepreneurial spirit of nonprofit founders who identify a social problem and set out to solve it. Yet, while nonprofit efforts can represent the best of American individualism, many broad social problems have stubbornly resisted great philanthropic and organizational effort due to this same individualistic tendency. In a compelling article in the [Stanford Social Innovation Review](#), authors John Kania and Mark Kramer argue that “large-scale social change requires broad cross-sector coordination, yet the social sector remains focused on the isolated intervention of individual organizations.” Entitled “Collective Impact,” the essay reviews instances of collective success where no one individual organization has been able to make headway, as well as the causes and the ramifications of organizational isolation.

The causes of isolation are easy to identify. Nonprofit agencies are often launched by an individual or small group that generates tremendous energy and passion around a critical issue. But when that initial burst of enthusiasm wanes and organizations become entrenched in day-to-day operations, the narrow vision all too often blinds the agency to a larger pool of potential resources. Commonly referred to as “founder’s syndrome,” such isolation blocks meaningful collaboration with other stakeholders, and often hinders the ability of the organization to meet the developing challenges of its mission – sometimes even after the founder has let go of the reins.

Beyond founder’s syndrome, funding trends can reinforce an isolated approach to addressing social problems. Grant applications often demand proof of “uniqueness” and market share over proof of collaboration or impact on a larger issue. Even such dynamic trends as venture philanthropy and social entrepreneurship can actually encourage isolation by scaling up a few organizations in pursuit of a singular solution to social ills. Unfortunately, these funding approaches encourage nonprofits to compete with each other, rather than to collaborate in a common effort.

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8 Years and Running



Membership Has
Its Privileges



A Weingart
Foundation Study on
Capacity-Building

COLLECTIVE IMPACT: MOVING BEYOND THE ZERO-SUM GAME (continued)

The authors do acknowledge that some social problems benefit from isolated impact – typically, those that are more technical in nature (i.e., well-defined, answers known in advance, when few organizations have the capacity to address the problem). But the authors distinguish these technical problems from *adaptive* problems – such as reforming public education, restoring wetlands environments, or improving community health – that suffer when efforts are isolated. In cases like these, pursuing collective impact can make a critical difference for stakeholders engaged in these problems.

FROM ISOLATION TO COLLABORATION – WHAT WILL IT TAKE?

According to Kania and Kramer, the conditions that foster collective impact (see sidebar) create a sense of urgency, and frame issues to highlight challenges as instances of opportunity rather than conflict. The article also articulates the important role of funders in supporting the additional, long-term support these collaborations require, and encourages nonprofits to persuade funders to take the lead in creating this environment.

5 conditions that foster collective impact:

1. Common Agenda
2. Shared Measurement Systems
3. Mutually Reinforcing Activities
4. Continuous Communication
5. Backbone Support Organization

Creating a collaborative climate, however, cannot be the exclusive responsibility of funders. The hard task of managing the logistics of collaboration falls squarely on the executive who navigates the complex network of stakeholders – board members, staff,

volunteers, donors – that make up an organization’s culture. Such a leader must recognize that seeking more “partners” does not in and of itself change a culture of isolation. It may, therefore, take more than creating a climate for collaboration to refocus nonprofit energies; it may take a new definition of both collaboration and impact.

Across the nonprofit sector, a majority of leaders can speak passionately and articulately about their mission and the people they serve. Far fewer can effectively speak to their organization’s impact, its ability to make a substantial difference in the community. Until nonprofit agencies can invest in measuring the outcomes of their efforts, the sector as a whole will not be able to communicate about impact – collective or otherwise.

With shrinking resources and increasing gaps in service, “return on investment” is becoming as important to public sector donors as any private sector investor. Focusing on greater impact will allow the nonprofit sector to better advocate for more investment due to real, measurable change. Advocating for the continued use of diminishing resources, specifically in support of the good intentions of any one organization’s vision, will continue to be a harder and harder sell.

“Shifting from isolated impact to collective impact is not merely a matter of encouraging more collaboration or public-private partnerships. It requires a systemic approach to social impact that focuses on the relationships between organizations and the progress toward shared objectives.”

**John Kania and Mark Kramer,
“Collective Impact”**

We agree with Kania and Kramer that creating an environment in which collaboration can be fostered and measured is a way to leverage our community’s resources for the best result, and that the “zero-sum” game fostered by the current funding environment can and should be challenged. Reorienting sector efforts toward impact, however, will be the toughest challenge.

To read more about this trend and instances of collective success, see John Kania and Mark Kramer’s article, “*Collective Impact*” in the Winter 2011 [Stanford Social Innovation Review](#).

OC Children and Families Watch

For the third year in a row, the Governor of the State of California is attempting to siphon funding designated for local support of children and families back to the State level. The impetus is huge – a \$25 billion state deficit that is becoming a political nightmare for State leaders in Sacramento. The proposed solution – take back \$1 billion in Proposition 10* funding from state and local First 5 Commissions, and 50% of all Prop 10 revenue generated going forward. (Proposition 10 was passed in 1998 to generate a tax on the sale of tobacco products to be used to support programs for children ages 0 to 5.)

For more information on how this new proposal will impact Orange County nonprofits, please visit www.occhildrenandfamilies.com/NewsItem.aspx?id=651.

The Olin Group: 8 Years and Running

The Olin Group has been privileged to support the business and development efforts of the nonprofit sector in Orange County and, increasingly, across Southern California for the past eight years. Since 2003, we have raised more than \$13 million in private, corporate, and public grants for our clients and provided capacity building support to nonprofit organizations through our four distinct service lines: *Program and Fund Development, Strategic Planning and Evaluation, Foundation and Grants Management, and Strategic Initiatives.*

Additionally, and in support of our philosophy that change can be promoted through nonprofits, for-profits, and collaborations between the two, The Olin Group runs a 501(c)(3) organization called Charitable Ventures of Orange County, whose mission is to provide fiscal sponsorship and incubation services to charitable initiatives in the region.

Our clients range from small start-up nonprofits seeking seed funding to large regional initiatives and regional funders. In providing these services, our vision is to support the core business needs of organizations working toward social impact and the public good.

Our clients come from all over the sector, but we are honored to be able to support many of the health and human services organizations grappling with the difficult issues facing our communities. We continue to support projects specifically related to gang prevention, foster/adopted children, mental health, early education, healthcare access, homelessness, child abuse prevention, workforce development, and job training.

To learn more, please visit www.theolingroup.com.

Membership Has Its Privileges



There are hundreds of nonprofits and other charitable organizations providing services and programs in the City of Santa Ana. Yet only 30 of those nonprofits are members of the Santa Ana Chamber of Commerce, an organization ostensibly in a position to support the business efforts of both private and public businesses. While accurate numbers are not readily available, it appears that most Chambers in Orange County do not include a high number of nonprofit members, which raises the question: *Why do so few nonprofits belong to their local Chamber of Commerce?*

Perhaps it stems from the way the business community views nonprofit organizations. While the public sector has long contracted with the private sector to meet the needs of local constituencies, the private sector does not traditionally look to individual nonprofit organizations to help address business needs. And yet, to cite only one example, the substantial work of nonprofits in addressing the job training and redeployment needs of the region — especially post-recession — has been a critical component of its economic recovery.

But perhaps the nonprofits themselves do not believe that there is a place at the Chamber table for public sector businesses, or that the focus of the Chambers addresses their specific business concerns. Yet, while fundraising and advocacy, for example, may be activities that are unique to nonprofits, other core business functions, such as access to capital, workforce issues, and profitability, are critical issues for any business.

The Santa Ana Chamber of Commerce has proactively reached out to the nonprofits serving in the city and has launched a new “2011 Nonprofit Leaders Speakers Series,” developed specifically to address the business issues of nonprofit organizations. For more information contact **Sly Paiva at spaiva@santaanachamber.com**.

One nonprofit member candidly shared that its membership in a Chamber had been extremely beneficial, and had resulted in meeting potential board members and identifying new business sponsors for annual events. In and of itself, this may be a great reason to join. But beyond getting sponsorships for a table, nonprofits may want instead to ask for a seat at the table — the one where economic and policy decision makers decide which initiatives get supported in our communities. Nonprofits offer a unique frontline view of the economic issues facing our communities, and that voice is most likely not being represented in our Chambers. Membership just may pave the way to adding that important perspective.

Agency in Action



GroundWork group Orange County opened for business in December 2010, the first affiliate of a successful Ohio-based nonprofit. Dedicated to educating nonprofits about the critical role technology plays in achieving their missions, GroundWork group also provides a comprehensive menu of cost-effective IT solutions.

Most nonprofits struggle with IT and its strategic incorporation into day-to-day operations. A survey conducted by GroundWork group this past summer highlighted significant operational challenges for Orange County nonprofits that could be addressed with dependable low-cost technology solutions, often requiring little up-front investment.

But up-front investment is often the problem, the major hurdle between nonprofits and effective use of IT. Funders don't like to fund it, Boards don't believe that their organizations need it, and everyone knows someone who can “fix your computer for free.” What is a

Fortifying Nonprofits: A Weingart Foundation Study on Capacity-Building Needs and Services in Los Angeles County

TCC Group defines capacity building as any activity that strengthens the performance of a nonprofit organization, including training, coaching, peer exchanges, consulting, and convenings. In a recent study conducted on behalf of the Weingart Foundation, TCC looks closely at the capacity building needs of nonprofits in Los Angeles. Overall findings underscore the particular areas of vulnerability that plague nonprofits, including deficiencies in:

- Program evaluation and strategic learning
- Board leadership development
- Human resource management (leadership transition planning)
- Financial management
- Fund raising

And while there are regional differences within the nonprofit sector, the findings are most likely indicative of what nonprofits are facing throughout the nation. The assumption is that by focusing on building capacity in these areas, nonprofits can strengthen their organizational effectiveness, enhance sustainability, and advance to the next stage of their organizational lifecycle. And, yet, the study further finds that access to the resources that can support this organizational evolution is difficult at best, and describes the following landscape of capacity building services in Los Angeles:



- Lack of awareness about where services can be found and how to use them
- “Disjointed” capacity building services provided primarily by consultants
- Concern that capacity building services available were not incorporating established best practices
- Lack of both time and money as primary barrier to conducting capacity building activities
- Room for improvement on coordinated funder efforts to support and fund these activities

With this landscape in mind, the report ends with recommendations on the ways in which funders, nonprofits, and service providers can bolster quality capacity building activities across the sector.

To read the full report, visit www.weingartfnd.com.

standard and valued part of corporate operations and development is considered unnecessary in the nonprofit sector. This is just wrong.

“When IT is viewed as a *luxury* instead of a strategic element, the total cost of IT goes through the roof and nothing works!” said Gene Elias, CEO of GroundWork group Orange County. “The GWg OC model is designed to educate Executive Directors and Board Members around the paradigm shift that effective use of technology can provide.”

“When IT is viewed as a luxury instead of a strategic element, the total cost of IT goes through the roof and nothing works!”

New CEO, **Gene Elias**, comes to GroundWork group Orange County with more than twenty years of experience in information systems and technology, manufacturing and distribution, and finance, and is looking to change the way Orange County nonprofits view their technology.

As a sector, it is critical that nonprofit leaders communicate to board members, grant makers, and individual donors about the importance of strategic investment in IT. And that starts with knowing how to advocate for better systems.

For more information, contact **Gene Elias** at gelias@groundworkgroup.org and visit www.groundworkgroup.org.



The Olin Group is a nonprofit business development firm dedicated to supporting the core business needs of organizations working toward social impact and the public good. Our service lines include:

STRATEGIC PLANNING AND EVALUATION

PROGRAM AND FUND DEVELOPMENT

FOUNDATION AND GRANTS MANAGEMENT

STRATEGIC INITIATIVES

Visit www.theolingroup.com for more information.

The
Olin
Group

1505 E. 17th Street
Suite 101
Santa Ana, CA 92705

