

A Case Study in Collaboration:
How Community Resource Exchange and
The Staten Island Foundation Partnered to Support

NONPROFITS UNDER PRESSURE



A CASE STUDY IN COLLABORATION: HOW COMMUNITY RESOURCE EXCHANGE AND THE STATEN ISLAND FOUNDATION PARTNERED TO SUPPORT NONPROFITS UNDER PRESSURE

One of the last places that executive directors of nonprofits might look for guidance is the leadership of other nonprofits in their community. After all, these groups represent, in some measure, their competitors for a piece of an ever-shrinking pie of public and private financial support.

Nonetheless, spurred on by one of the leading funders in the Staten Island, NY community, that is exactly where these professionals turned: to each other. In an effort to promote cross-organizational dialogue and respond to the needs of its grantees in a difficult economic environment, The Staten Island Foundation partnered with the nonprofit management consultants of Community Resource Exchange to hold a *Town Hall* event. Here, shared concerns, strategies and tactics could be aired for the benefit of all the executive directors. The forum and small group discussions not only led to a new spirit of collaboration among the participating organizations, but it also sparked a series of leadership training sessions for the benefit of all the nonprofits. Over a few short months, these programs generated significant results in the areas of program, human resource and financial management, among others.

The Town Hall experience, coupled with the peer exchange and workshops, represents an innovative approach for local foundations to support their grantees beyond financial resources. This replicable model enables participating organizations to exchange expertise and lessons learned, while promoting collaboration and shared resources.

About Staten Island, The Staten Island Foundation and Community Resource Exchange

One of the five boroughs of the City of New York, Staten Island has a lower profile than glamorous Manhattan, or even Brooklyn, Queens and the Bronx. With about a dozen cultural institutions, two hospitals, three colleges and about 1,000 social service, educational and health-related nonprofits, among others, serving a population of more than 480,000 in an area of 60 square miles, the island's nonprofit community receives significant support from The Staten Island Foundation and two bank foundations. In terms of local business and commerce, the non-profit sector on Staten Island provides more jobs and economic activity than any other sector on the Island. Therefore, the health and vibrancy of the nonprofits are even more crucial to the community at large, beyond the vital services they provide to residents.

The Staten Island Foundation is an independent, private foundation serving the borough of Staten Island. It emphasizes outcomes in the areas of education, health and human services and the arts. The Foundation funds projects as well as management assistance, and professional development (including leadership development) for the staff of not-for-profit organizations serving Staten Island. The Staten Island Foundation serves the borough of Staten Island with an average annual grants budget of \$4 million and is the largest foundation operating on Staten Island.

Community Resource Exchange, a 30 year old nonprofit management assistance firm, provides strategic advice and technical services every year to over 300 community-based organizations that

fight poverty and HIV/AIDS in New York City. CRE provides its clients with information, skills and leadership training to strengthen communities and to advance social justice in New York City. CRE; it delivers its services primarily through one on one consulting relationships and structured leadership development programs. CRE supplements its one on one consulting work by publishing about its work, offering training, sharing resources and providing affordable conference space to nonprofits.

Their Collaboration

On a bitterly cold early morning in January, fifty-five community leaders boarded the ferry on Staten Island to cross the windy harbor to lower Manhattan. Their destination was a Town Hall discussion about the impact of the recession on Staten Island nonprofit organizations and the communities they serve, a gathering organized by the Staten Island Foundation and Community Resource Exchange (CRE) at CRE's offices on Broadway not far from the ferry terminal.

Why would these busy nonprofit executives take a day and leave the borough to discuss difficult economic times? How did this collaboration between a foundation and a management support organization become the engine for this dialogue? And what difference did it make?

The Town Hall Concept

The Town Hall concept had been pioneered by CRE in December 2008, as the slide into an economic recession and after the collapse of financial institutions on Wall Street made clear that this would be no ordinary time for non-profits. CRE needed a way to quickly discern what was happening with non-profit organizations in New York City, and for their clients. CRE also wanted their best thinking about what would help them survive and thrive in the months ahead so that CRE would develop meaningful means of support. Sixty-five non-profit leaders responded to this invitation from CRE. CRE also understood that it was not alone in this effort to support the sector and its work, and invited 12 leaders, primarily from foundations and city-wide policy organizations, to listen along with CRE. Foundations were already beginning to cope with significant reductions in their grant programs. These listeners convened immediately afterward to discuss what they heard and to begin developing strategic responses.

Betsy Dubovsky, the Executive Director of the Staten Island Foundation, was one of these listeners. Dubovsky thought it was an "impressive event, something that would be very good for our Staten Island organizations," and suggested that very day that CRE conduct a Town Hall for Staten Island non-profits, which, as noted earlier, are key to the local economy.

Working together, the staff at CRE and the Staten Island Foundation moved quickly, with the urgency of the economic crisis a driving force. Dubovsky's Foundation provided the lead financial commitment to support the cost of the Staten Island Town Hall. Dubovsky also garnered Town Hall sponsorship from Northfield Bank Foundation and from Richmond County Savings Foundation. CRE customized the Town Hall design and agenda for the Staten Island Town Hall. In this design, the primary purpose of the event was to bring Staten Island organizations together for peer exchange. The Staten Island Foundation also wanted to inform its thinking about how best to focus its time and resources.

Within a month of Dubovsky's inspiration, the Staten Island Town Hall took place. Fifty-five leaders of community-based organizations from Staten Island participated in small group discussions

facilitated by CRE consultants. The Staten Island Foundation designated 25 listeners. Listeners were board members and executives from the Staten Island Foundation and the other two participating foundations and from borough-wide organizations concerned with the non-profit sector.

Dubovsky kicked off the gathering, noting the unique opportunity such a gathering presented for exchange and strategic thinking between and among non-profit organizations and foundations. Participants were then divided into eight groups of seven participants each. Three listeners were assigned to each group, and a CRE consultant facilitated the exchange in each group, three key questions:

1. How are your clients affected by the recession?
2. Has your organization been affected yet, and how?
3. What could help you to survive and thrive in these times?

After an hour of discussion, the groups returned to the CRE conference center training room and reported back highlights of their conversations, focused on what would be most helpful to have from foundations and from each other in order to survive and thrive. Some participants remarked informally that even though they work together all the time, this conversation was different and helped them put their circumstances in context.

The Listeners Listen: Nonprofit Organizations Under Duress

Several key themes emerged from the discussions. The most pressing and shared concern was the negative financial fallout of the recession. “Everyone attending has been affected by the current economic conditions,” said one participant. Another remarked, “Service providers are having a difficult time staying on course when funding has been cut, in some instances drastically, (and ahead of us is) a very uncertain future.” For the listeners, hearing specific examples of the downturn’s toll was both sobering and useful.

However difficult the environment, the Town Hall attendees came with ideas and strategies. Many in the room – both funders and grantees – acknowledged that “though this is a very big town, we are always going to the same watering holes” for support. A Board member observed that “...with everyone scrambling to save and raise money, discussion about collaborations helped participants to recognize that $1 + 1 = 3$, that collaboration is particularly helpful in times of a downturn.” Specific ideas about how to collaborate to preserve essential services for the community were surfaced by the participants.

Specific partnerships have emerged between agencies in the months since the Town Hall. Three local colleges were present and developed a stronger interest in working with local nonprofits to place student volunteer interns within organizations. One college connected with an agency to reach a particularly hard-hit community. A museum will offer discounts to the members of a social service agency, and, together with a youth program, began to explore joint programming ideas for the summer. The director of an organization credits the emphasis on collaboration at the Town Hall and a subsequent CRE session on collaboration supported by the Staten Island Foundation, described below, as the impetus for a joint proposal: three organizations collaborated on a five-year, multi-million dollar RFP for a comprehensive, after-school program. The program design brings together an organization with strong administrative structure and facility, another with specific

community and cultural knowledge, with another that can provide arts and cultural programs to young people.

Preserving community services and sustaining organizations was the theme of another set of survival strategies. Participants recognized that sustaining services is of paramount importance, acknowledging that some organizations may need to scale back or even go out of existence in order to make that happen.

Seasoned judgment and management skills were very much in evidence during the Town Hall discussions. The leaders in the room exchanged experiences about how to cut costs without cutting programs. They shared how difficult this is, and which strategies they were trying. They spoke about the scarcity of unrestricted funding, and yet how vital it is in these times for survival. As they discussed the limited and sometimes difficult options available, the capacity constraints of the nonprofit sector were laid bare not as individual organizational problems, but as a worrisome sector-wide trend tied to a very bad economy.

The concrete benefit of open dialogue and exchange among multiple stakeholders with different roles, constituencies and perspective, was evident. While some participants already knew each other, this was a broader, more diverse group of nonprofits than usually meets. Organizations spanned the North Shore and South Shore (ordinarily divided by an east-west interstate highway), and represented human service organizations of varying profiles along with educational institutions and arts organizations. One participant observed that the “disease” groups and the “culture” groups were gathered in one place, a rare occurrence.

The Town Hall was a community-building gathering that fostered conversation among leaders from both non-profits and foundations, who don't really have an opportunity to gather and talk in this way. Allan Weissglass, the Chair of the Board of the Staten Island Foundation, said the conversation was “different and constructive.” The dialogue led one participant to comment, “Worry is no different than happiness – always best shared – because there are many people out there and quite often you lend a hand and then forget/lessen your own situation.” The spirit of Staten Islanders “pulling together” and supporting each other was welcomed.

In Response: The Listeners Take Action

After the Town Hall, the Staten Island Foundation considered what it had heard, and responded.

The Foundation made the exceptional decision to change its grant making priorities of the Staten Island Foundation for the year. The Board of the Foundation approved \$750,000 worth of emergency matching core support grants at its spring meeting. The grantee community's need and call for general operating support was answered by the Foundation. Instead of funding specific projects, its usual practice, the Board decided to respond to the need of the grantees, and encourage fundraising with a 2:1 match, for general support. Grantee response has been overwhelmingly positive, with successful fundraising occurring at the relatively modest and achievable levels of the matching requirement.

The Foundation also asked Community Resource Exchange to design and facilitate sessions for executive directors focused on the leadership and management challenges executive directors talked about during the Town Hall. “What is becoming clearer and clearer is that each organization is in

the hands of its director, staff, and board to come out of the economic downturn with its programs and services intact,” said one executive director. “Nothing can replace clear-headed, good management in times like these.” CRE developed and facilitated four monthly breakfast roundtables to build leadership knowledge and to continue the peer exchange that Town Hall participants found so valuable, this time around specific topics:

- Determining which programs are core in an agency, using portfolio analysis and program assessment tools;
- Developing collaborations as a key strategy to preserve critical services for the community;
- Contingency budget planning, including forecasting a worst case scenario to anticipate future choices; and
- Managing staff reductions while preserving talent, as one of the difficult actions an organization will face.

The first breakfast roundtable (in workshop format with peer exchange) was convened in March 2009, within weeks of the Town Hall. The three additional roundtables were offered in April, May and June, and they were oversubscribed. About 50 leaders attended each session. Most, but not all, had been able to attend the Town Hall. The commonality of working to improve communities and services in Staten Island and facing economic challenges continued to drive the peer exchange.

Community Resource Exchange designed the content and tools for each of the roundtables and facilitated the sessions. The Staten Island Foundation funded the roundtables and coordinated all of the logistics. The sessions themselves were held at the Mt. Manresa Retreat Center in Staten Island.

CRE and the Foundation surveyed the participants after the roundtable series concluded in June 2009. Participants identified the sessions as productive. When specifically asked whether they had applied the knowledge and tools gained at the workshops in their planning and thinking about their organizations, depending on the workshop, half to three-quarters of participants reported having used the materials or presented ideas. This result is especially encouraging, and indicates that, as hoped, the concepts presented were both applicable and immediately useful. Several leaders who participated reported in the survey that they had used the knowledge and tools provided by CRE in working sessions with their board or staff. Leaders also reported that the information provided and peer conversations both informed and enforced current planning or management initiatives in ways that provided new clarity or insight. They also said that the sessions provided them with ideas and options they hadn’t considered.

Participants in the breakfast roundtables had several recommendations for further work. They most frequently emphasized the importance of continuing peer exchange of all kinds during this period; both with a broader array of non-profits than in the norm, and among non-profits with similar missions. Participants expressed strong interest in going to the next level in sharing more content, more extensive content and specific strategies.

Ingredients for Success

The economic distress of communities in New York City and the fallout for nonprofit organizations who serve those communities calls for something more than a “business as usual” attitude. The commitment of the Staten Island Foundation as a funder, to partner with Community Resource Exchange as a capacity-building organization, represents a unique and thoughtful response to the crisis.

Key aspects of why this initiative worked well include:

- *The Foundation demonstrated that as an institution it was capable of changing its tactics.* The Foundation went beyond grantmaking to provide technical assistance interventions to Staten Island nonprofit organizations. The Foundation provided leadership to draw in other local funders to join in, and had the imagination to see the possibilities apparent in the first NYCT-sponsored forum. And in its core business of grantmaking, the Foundation made the unusual decision to provide general support instead of program-specific funding to help organizations weather the crisis.
- *Community Resource Exchange brought expertise and knowledge about management strategies in hard times to Staten Island organizations which do not have access to these types of support.* CRE drew on deep experience to create a series of offerings focused on helping leaders through hard times, and a staff team competent to deliver a varied set of activities on different topic areas. Most of the organizations present had no other form of leadership or management support to navigate through the economic crisis.
- *Collaborating to deliver a timely set of responses was a smooth process because CRE and the Foundation could build on an existing working relationship based on mutual respect and commitment to Staten Island’s nonprofits.* In this case, the Foundation had a desire to adapt to the times, to use its resources to try new strategies to respond to the crisis. CRE brought the conceptual framework of an open dialogue with the Town Hall model and follow-up programming ideas, coupled with the ability to execute in ways that assist organizations to be strategic even in the worst of times. The result was quick turnaround time, at key points during the initiative’s rollout: the Town Hall was organized in a time frame of several weeks; the breakfast roundtable series was launched within weeks of the Town Hall; and finally, the Foundation’s next grantmaking cycle was impacted. The entire initiative, from discussion through implementation, was completed within a six-month period.
- *The power of the Foundation to convene was essential to gathering the right people to dialogue at the Town Hall -- those who were then open to participating in what came out of the discussion.* Often an obstacle to “assisting” busy nonprofit leaders is the first hurdle of getting their attention and their time. Grantees, Foundation staff, and CRE consultants all made this observation. Under pressure, these leaders are even less available, managing internal organizational challenges while trying to meet the needs of their communities, sometimes in relative isolation. Once participants came to the Town Hall, the nonprofit community voted with their feet, and continued to participate in other programs that were designed with their needs in mind.
- *Everyone got something out of the effort.* The blending of the Foundation’s resources and standing in the community, with CRE’s conceptual model of the Town Hall dialogue and management consulting expertise, were a successful combination. Nonprofit leaders describe anecdotes and results as a direct result of their participation.

- ✓ Participating nonprofit organizations report that they have built relationships with partners that have or will yield better services for the community, despite tough times. They are using the tools introduced at workshops to help manage through the recession. Several lauded the Foundation and CRE for the initiative.
- ✓ The Foundation Board and staff appreciate their closer connection to the work going on in the community and came away with a more personal, visceral understanding of the immediate challenges the grantees face. They were empowered to make change in their own practices as the most important grantmaking institution in Staten Island. And in terms of watching for results, the Board Chair of the Foundation observed that “the strength of [this initiative] was to come away with collaborations among our grantees, which did occur.”
- ✓ Staff at CRE describe the Town Hall listening experience as “powerful”, a setting of unusual impact. The initiative gave CRE the opportunity to work with new organizations on Staten Island, to understand much more about the reality of nonprofit life in the borough and to establish greater credibility with this network by delivering high-quality, responsive programs. CRE also received feedback about workshop content and delivery that has led to refinements and improvements in the curriculum, which has since been delivered to other cohorts of nonprofit leaders in New York City.

A Replicable Model

Nonprofit organizations in communities across the nation face the same dilemmas as the groups on Staten Island, as they manage fewer resources and funds while coping with increased demand for services in these trying times. The leadership shown by The Staten Island Foundation, in engaging the nonprofit management consultant services of Community Resource Exchange, serves as an innovative example of harnessing intellectual resources within the community itself, as well as funds, to support its grantees. Moreover, the program served to re-introduce the executive directors of the participating organizations to their peers, with the result that each sees the other as a potential collaborator.

For more information about The Staten Island Foundation contact Betsy Dubovsky, Executive Director, at 718-697-2831. For more information about Community Resource Exchange, conducting a Town Hall, or this story, contact Karen Erdos at 212-894-3379.
