



The Moment to Explore Strategic Partnerships:

Starting a Nonprofit



The **Power** of **Possibility**

Exploring Greater Impact through Strategic Partnerships

Why now?

- Starting a new nonprofit is a major endeavor that shouldn't be taken lightly.
- Before we assume that a new organization is the best way to get a great idea or program off the ground, how might we be able to partner with an existing organization through a strategic alliance or restructuring?



Partnering will enable us to build on the existing resources, capacity, and expertise of that organization, as well as ensure that we're following our passion in a way that strengthens – rather than competes with – organizations that are already doing similarly important work.



Strategic alliances and restructuring: A broad continuum of long-term, organizational collaborations designed to leverage the strengths and capacities of two or more organizations; could include joint programs, parent-subsidiary structures, fiscal sponsorships, asset transfers, joint ventures, administrative or back office consolidations, mergers, or other intentional structures for collaboration.

Would we be meeting an unmet need?

QUESTIONS FOR DISCUSSION

- What would be our core purpose? What problem are we trying to solve or new reality are we trying to create?
- What would be our unique value? Do we understand the landscape well enough to have confidence that we're bringing something new to our community or world?
- What other organizations are working on related issues? Are any of them doing it in a way that is similar enough to what we want to do to result in real – or perceived – duplication?
- If we created a new organization, are there organizations that would likely be made weaker as a result? Would we be competing for the same resources or constituents?
- Could we make the case to a donor or funder that we are creating something of new benefit?

Could we work with another organization?

QUESTIONS FOR DISCUSSION

- What organizations are working on similar issues?
- Would our idea or program add value or fill a gap for any existing organizations?
- Have we spoken with them about our ideas and the possibility of working together?

Do we know what it will take to start a new nonprofit?

QUESTIONS FOR DISCUSSION

- Do we have the financial resources we need to support and sustain our work while we get up and running?
- Are there individuals who care enough about what we're doing that they will fund it for the first year while we're building our reputation and cultivating additional support?
- Do we have a committed leader – or group of leaders – who will stick with this organization as we get it off the ground, even if that's on a volunteer basis?
- Do we have a strong group of leaders who will be willing to serve as volunteer board members, and be both financially and legally responsible for our organization?
- Are we familiar with the paperwork and filings that will be required to formally incorporate as a nonprofit with the IRS and our state, and the costs associated with that?

How can we stay open to future partnerships?

By partnering with a fiscal sponsor, you don't have to go through the formal process of founding a new nonprofit, incorporating with the IRS, or forming a governing board. Instead, you can operate as a project under the banner of another organization. This has many potential benefits, including the following:

- Enabling a founding group of leaders to test the model or programs prior to formally launching a new organization.
- Focusing early efforts on the program, rather than building organizational infrastructure.
- Making it easier to partner with another organization in the future, as it would not require a merger to do so.



Fiscal Sponsorship: Fiscal sponsorship is a practice that has evolved as an effective and efficient means of starting new charitable initiatives, delivering public services, and seeding social movements. Fiscal sponsors are nonprofits that enable the movement of resources from funders and donors to projects, activities, ideas, and organizations that share the fiscal sponsor's mission.

Final Considerations

- Before starting a new nonprofit, we should make sure that we will be meeting an unmet need, rather than duplicating or competing with a nonprofit that's already in existence.
- There may be opportunities to work with an existing nonprofit organization in a way that builds on our innovation and their capacity and reputation.
- Make sure we know what it will really take to get a new nonprofit off the ground, and that we're ready to make that commitment.
- We should also consider the possibility of working with a fiscal sponsor while we build our program, which will make it easier to incorporate into another organization if we decide to do that in the future.



For more information on how organizations are exploring greater impact through strategic alliances and restructuring, visit www.thepowerofpossibility.org