

Nonprofit Repositioning Fund



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The 26th Annual This Year in Nonprofit Law

Nonprofit Issues & Montgomery McCracken

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Nonprofit Repositioning Fund

Mission: The Nonprofit Repositioning Fund (“the Fund”) supports long-term strategic alliances and collaborations to build organizational sustainability and improve program and service delivery across the 5-County Greater Philadelphia region.



Nonprofit Repositioning Fund

We Believe:

- In a rapidly changing environment for the region's nonprofits, long-term collaboration can be an effective strategic option to enhance performance for two or more organizations – where the resulting whole can be greater than the sum of its parts.

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To Do This:

- We make grants to encourage and support formal, long-term collaborations between and among two or more nonprofit organizations
- These include alliances, back-office consolidations, joint ventures, mergers, and acquisitions



Fund Objectives

1. Provide funding support and a safe space in which to explore and implement well-conceived formal long-term collaborations between and among nonprofits
 - We fund a select number of transactions across multiple dimensions:
 - Organizational size
 - Type of collaboration
 - Geography
 - Sector

Fund Objectives

2. Learn from and elevate examples of successful collaborations as a means to inspire further market movement in a rapidly changing external environment

Fund Objectives (cont.)

3. Further develop the region's capacity to provide wise and experienced technical assistance to nonprofits exploring these collaborative opportunities

Fund Objectives (cont.)

4. Model collaboration as a group of funders unified around a vision – and pooled funding – to strengthen the region’s nonprofit sector through strategic alliances and restructuring opportunities

Fund Objectives (cont.)

5. Routinize the consideration and practice of strategic alliances and restructuring as an important option for nonprofit leaders, boards and funders

How the Fund Works

- Exploratory Grants of up to \$40,000
- Implementation Grants of up to \$100,000
- 5-County Greater Philadelphia region
- Rolling monthly grant reviews
- Governance Committee of funders vote
- Hosted by Philanthropy Network
- Administered by The Philadelphia Foundation
- We are NOT matchmakers
- Confidential process

Criteria

- Catalytic role of the Fund
- Sense of shared vision and purpose among collaborating agencies
- Level of organizations' experience working with one another
- Significant advance planning
 - Fund is only one point along the continuum
 - Program/strategic planning funding from others may be a necessary precursor

Grants to Date

- 12 grants: 8 Exploratory & 4 Implementation
 - Average Exploratory Grant size: \$25,688
 - Average Implementation Grant size: \$41,250

Sectors:

- 4 Culture/Tourism (1 organization received 2 grants)
 - 2 Health
 - 4 Human Services
 - 1 Education
- Operating budget range: \$90,000 - \$20.3M
 - One Exploratory Grant discontinued

Trends

- 7 of the 11 collaborations involve a leadership transition
- Strong interest in the Fund
 - People more open to the idea than anticipated
 - Recession followed by budget impasse may have contributed to readiness in Greater Philadelphia region

Questions to Ask Before Applying

- Have you done an internal assessment of your own organization?
- Reasons for considering a collaboration (e.g., finances, skills, services, regulatory changes, fundraising opportunities, growth)?
- Why now?
- Is there a simpler way to achieve your objectives?
- Can your respective organizations articulate a shared strategic purpose?
- What are the key issues you must address together, (e.g., governance, culture, lines of programming, staffing)?
- Have you assessed the potential benefits and risks carefully?
- What is the sequence of essential questions to be asked in an exploration?
- What kind of TA will best help you to answer those questions?
- Are key Board members involved?

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DISCUSSION & QUESTIONS

Contact Information

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Thank you for your interest!!