



Hmong National Development, Inc.

A Subsidiary of Hmong American Partnership

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Nonprofit Sector Environment: Driving Forces for Change

DRIVERS	
Category	Explanation
Maintain funder support	Funder is concerned about efficiency Similar requests made that compliment services Assumption that agencies can work better together Less grants, more impact
Save money, lower costs	Loss of funding Slow periods of funding Increase competition for services
Capitalize on competition and market	Lack of connections, staff, and resources Need for client expansion Consolidation for stronger services
Preserve and enhance agency reputation; remaining relevant to the community	“Good” reputation of others Collaborative and cooperative nature Boost of organizational reputation

Nonprofit Sector Environment: *Challenges in Change*

CHALLENGES	
Category	Explanation
Lack of staff and board support	No clearly communicated and supported plan from board and staff; no buy-in
Staff turnover	Need for adequate staff support during transitions and work load increases Consolidation of jobs
Leadership problems	Shared leadership problems e.g. co-chairs, co-executive directors, co-managers, etc.
Organizational culture issues	Philosophies of operations, decision making, relationships, etc.
Identity issues	Brand identity; external stakeholders need buy-in; building loyalty to another organization

Strategic Restructuring Questions

These questions are from La Piana Consulting's work with nonprofit restructure.

1. What partnerships including collaborations have you been or are currently involved in? What was your experience like? What significant lessons did you learn?
2. What are some of your organization's key challenges and critical issues that a partnership with the other organizations could help you solve that you could not do on your own?
3. What are some of your key challenges (operational and programmatic) and critical issues that a partnership might help you address more successfully than you could on your own? Things other partners do better, or capacity they may have that you don't?
4. How could it help you better serve your current clients and advance your mission?
5. How could a partnership strengthen your position of being necessary (to funders) and not just nice in your community?
6. What are some of the "red flags" in your organizations that could make you less attractive as a potential Strategic Restructuring partner?
7. What is your current financial position? How does it impact you as a potential strategic restructuring partner?
8. What gaps or needs do you feel you have in the following areas?
 - a. Programs/service delivery
 - b. Staffing
 - c. Human resources management
 - d. Fund development
 - e. General accounting/financial management
 - f. Client receivables
 - g. Grants/contracts
 - h. Purchasing (insurance, supplies, etc.)
 - i. Information technology (equipment, software, support, website, etc.)

How could a partnership increase your organization's capacity to fill any of these gaps?

9. What are some of the key parameters or screens that you would use in determine whether or not to pursue a potential partnership? For example:
 - Does it advance our mission
 - There is available funding to support the partnership
 - It does not duplicate something already provided in the community
 - Do the benefits justify the costs (staff time, funds, etc.)
 - We would have the staff and time to devote to it

Potential Partner Assessment

These questions are from La Piana Consulting's work with nonprofit restructure.

(Complete a separate tool for each potential partner)

Potential Partner _____

1. Mission and Vision Compatibility

- How is the partner's mission and vision similar or complementary to yours? How is it different?
- How are the constituencies they serve and their programs similar to yours and how are they different?

2. Organizational Culture

- How is their culture similar to yours? How is it different from yours?

3. Previous Joint Activities

- What joint activities (programs, shows, campaigns, conferences, etc.) have you done with this potential partner? How successful was each activity? How satisfied were you with the partnership?

4. Trust Level

- How would you rate the level of trust that you have with the organization (1- low and 5 high)?
- How would you rate the level of trust with the organization's leadership - CEO and Board (1-low and 5 high)?
- Are there any roadblocks or key challenges that would need to be overcome to increase your level of trust with this potential partner?

5. Strengths and Weaknesses

- What are they good at and/or possess (skills, programs, assets, staff, etc.) that could benefit your organization?
- What do you see as their key weaknesses and the major challenges they face internally and externally?

6. Financial Condition

- How would you rate the financial condition of the potential partner (1- low and 5 high)?
- What are their sources of funding and how are they similar or different from yours?

SWOT of Partnership Matrix

MODEL NAME	MODEL DESCRIPTION	WHY THIS MODEL?	STRENGTHS	WEAKNESSES
Corporate Merger	<p>Integration of all programmatic and administrative functions to increase the administrative efficiency and program quality of one or more organizations into one entity.</p> <p>Establishes a new structure that includes some or all of the resources and programs of the original organizations.</p>	<ul style="list-style-type: none"> • Essential services to clients need to continue • Mission and service driven • Goals of companies or nonprofits are similar in nature <p>EXAMPLE: Harriet Tubman Family Alliance and Chrysalis</p>	<ul style="list-style-type: none"> • Increasing services to clients • Adding value to the entity • Can add financial strength if companies have assets • High competition in the sector 	<ul style="list-style-type: none"> • Culture differences which reduces integration • Conflicting objectives between businesses • Higher costs and expenses with the growth or expansion of a company
Subsidiary	<p>Integrates some administrative functions and programmatic services.</p> <p>The goal is to increase the administrative efficiency and program quality of one or more organizations through the creation of a new organization(s) or designation of an existing organization(s) (parent) to oversee administrative functions and programmatic services of other organization(s) (subsidiary).</p>	<ul style="list-style-type: none"> • Expansion into new areas • Deliver services to clients in different geographic regions or different types of clients • Brand identity held in place <p>EXAMPLE: Hmong American Partnership and Hmong National Development</p>	<ul style="list-style-type: none"> • Same governance principles and ethics to heighten awareness of overall governance structure • Different boards and strategic goals • Missions and goals are similar • Brand identity is controlled • Authority is centralized in one organization 	<ul style="list-style-type: none"> • Costs money to operate even if it is dormant • Controlled by the parent company • Increase staff time to manage
Affiliate	<p>An integration of two or more organizations that create “chapters” or “affiliates” that deliver services that meet the goals and mission of a parent organization</p>	<ul style="list-style-type: none"> • Expansion into new areas • Deliver services to clients in different geographic regions or different types of clients • Independently run but operate under the larger organization • Administrative functions are not integrated but can be approved by the overseeing agency <p>EXAMPLE: American Cancer Society, Habitat for Humanity</p>	<ul style="list-style-type: none"> • Shared resources (e.g. people equipment, facilities, etc.) • Different governing boards but reporting to the same national board; local governance • Activities are local and within the specific guidelines of the affiliate chapter • Main organization can provide grants to affiliate organizations • Brand identity and control 	<ul style="list-style-type: none"> • Costs money to operate even if it is dormant • Brand identity and control • Decentralized authority and control at the local level • Increase staff time to manage affiliates
Joint Ventures, Programming, and Collaboration	<p>Includes the creation of a new organization to further a specific administrative or programmatic end of two or more organizations. Partner organizations share governance of the new organization.</p>	<ul style="list-style-type: none"> • Expanding line of business and creating a more powerful presence with new programs • No transfer of ownership • Goals are similar and partners are willing to share 	<ul style="list-style-type: none"> • Strength in business profits, revenue, and service delivery • Gain expertise and capacity to do the work • Access to greater resources, technology, people, and capacity 	<ul style="list-style-type: none"> • Organization culture differences • Shared risks • 60% actually fail due to Human Costs and unclear goals and directions • Not sustainable in long term