



Recommendations from the Nonprofit Sector

May, 2018

About the Community Roundtable Series

As a sector, nonprofits have an opportunity to proactively set the path forward and design how we can interact with local government, businesses, and each other in a manner that establishes nonprofits as highly impactful partners of choice.

Nonprofit organizations are a vital part of the Montgomery County community. Nonprofits partner with the local government to deliver essential community services; we bring resources into the community through grant seeking and fundraising activities; and, we employ one in ten workers in the county. Through the Community Roundtable series, nonprofit leaders are engaging with one another to develop a consensus agenda for the nonprofit sector. Through ongoing dialogue we will build capacity for a proactive, collaborative, and outcomes oriented nonprofit community in Montgomery County and establish a shared vision for the sector that can be presented to community leaders.

Community Roundtable for Collaboration: Key Findings

More than 70 nonprofit and community leaders participated in the Community Roundtable for Collaboration on May 7, 2018. Following a keynote presentation on newly published report that discusses the imperative for collaboration and joining forces to strengthen human services, attendees participated in small group discussions. This document highlights the common themes that emerged.

1) **Collaboration is essential for systemic change; competition remains a barrier.**

Participants embraced the notion that we are all working to build a stronger, healthier community. We serve a shared population and can work more effectively toward our common goals if we collaborate. At the same time, participants had concerns about collaborations that could cause some smaller organizations to be absorbed by larger ones. Some participants felt that collaboration is not nurtured on a level playing field and derided a “know-it-all” attitude that some smaller organizations may perceive coming from larger organizations operating in the same space. Participants shared mixed reactions regarding mergers with some viewing this as an opportunity to weed out inefficiency and duplication of effort and others guarding against the potential to homogenize services and lose diversity of expertise and approaches that comes from having different organizations, with different cultures working on the same issue.

Recommended Actions:

- Focus collaborative efforts on areas that work for everyone by identifying topics where collaboration can benefit all parties—recognize that this may not involve all aspects of a nonprofits business.
- Appreciate the value and niche expertise that small organizations bring to collaborative efforts; enable organizations to retain what they do well, while relying on partners for other aspects of work.
- Create formal structures for sharing best practices; this can occur based on service type (e.g. food security, affordable housing, literacy, workforce development, etc.) geographic area, or both.
- Allow time and space for collaborative activities to evolve by creating opportunities for networking and idea sharing so that organizations can get to know one another, build trust, and understand the preferences and communication styles of participating partners.
- Explore shared purchasing of back office services such as shared data systems or a CIO that supports a sector rather than a single organization.
- Consider the *Social Determinants of Life* as a lens for bringing organizations together around delivering shared outcomes for the community—educate elected officials and other community stakeholders on this concept.

- Engage Board members from participating organizations so that they deeply understand and are bought into the concept of structured collaboration.
- Because funders are more familiar with larger nonprofits there was a fear that smaller organizations may get lost and not have opportunities to grow, enhance services, and be treated as equal partners in collaboration.

2) Existing funding structures impede collaboration and innovation. Nonprofit organizations are vital to the wellbeing of our community and the strength of our economy; however, the funding structures that support nonprofit organizations make it difficult to collaborate and achieve our full potential. Nationally, 1 in 8 nonprofits are technically insolvent, more than 40 percent lack liquidity to meet short-term obligations, and a third have cash reserves that cover less than one month of operating reserves.¹ Collaboration requires a significant investment of time yet staff time is decidedly scarce in an era when funds for general operating expenses and capacity building are dwindling. While many funders encourage collaboration in concept, the reality of how reporting requirements are structured makes it administratively challenging. Furthermore, with existing services underfunded and community-based organizations vying for the same limited pool of resources it can be difficult to put competition aside and focus on common goals.

Recommended Actions:

- Work with funders to reorganize funding structures so that they truly foster collaboration e.g. by providing funds for general operating expenses, incentivizing collaborative programming, and adjusting reporting requirements to enable collaboration by allowing blending of funds across FTE and deliverables.
- Advocate for more multi-year grants that:
 - Allow organizations to develop long-term plans and measure results over time—it is difficult to make long-term plans with short-term funding;
 - Consider the time and effort involved in starting up collaborative programs before demonstrating results;
 - Reduce administrative costs associated with re-applying for the same funds year after year.
- When evaluating funding decisions emphasize population outcomes over process or output measures.
- Invest in innovation with full recognition that it takes time and refinement to succeed.
- Capture data about service impacts to demonstrate the return on investment that comes from services provided by nonprofits and visibly report funds leveraged by the sector.
- Alter language to emphasize value over need—the language used to describe clients and services is “othering” and diminishes our value to the community.

3) Leverage data to demonstrate progress toward achieving common goals.

Participants discussed the value of shared data on two levels. At the strategic level identifying common outcomes and collecting/reporting on comparable measures allows us to demonstrate the value of our services. At the operational level shared data systems allow us to provide more resident centered services with streamlined case management, warm handoffs, and possibly eliminating some bureaucratic inefficiencies. For both purposes, it is difficult to access and analyze meaningful data because as a sector we do not have the necessary data infrastructure. Nonprofits are eager to learn about opportunities and approaches from their peers and are willing to experiment with data sharing. Technological and confidentiality issues are a barrier, but not an insurmountable one. Furthermore, different sub-sectors within the nonprofit community are at different stages with regard to data sharing; some already share data within the sector while others do not.

¹ A National Imperative: Joining Forces to Strengthen Human Services in America page 31

There was a general consensus that it is time to take the next big step by identifying common outcomes and committing to monitor progress toward achieving those outcomes.

Recommended Actions:

- Consider shared purchasing or engagement with a vendor who can work with information and outcomes provided by a number of organizations and provide standard and custom reports.
- Explore feasibility of shared purchasing for data management systems; for example, participants suggested finding a way for nonprofits to get licenses for the same EICM system used by the County.
- Work with the county and philanthropic community to spell out clear outcomes for each sector and specify the indicators that will be used to monitor progress toward achieving those outcomes.
- Understand the strengths of the community—map existing services and identify gaps.
- Once data is being collected, identify methods to interpret that data to demonstrate the ROI delivered by nonprofit service providers.

4) A backbone organization must carry this initiative forward. The Montgomery County community does a good job of bringing people together. There are numerous examples of collaborative initiatives delivering human services across the county. These have varying degrees of formality and are organized both by sub-sector and geographic area. With persistent limits on time and resources, participants wanted to know how this sector-wide and county-wide effort will connect with these existing activities and build upon the work already being done. Participants wanted to understand the structure and implementation plan for this initiative and how to keep momentum on fostering sector wide collaboration and integration.

Recommended Actions:

- Develop greater awareness of existing activity by mapping existing coalitions and understanding their structures, degree of formality, etc.
- Focus on one or two initial activities with tangible and specific deliverables.
- Facilitate shared services such as common data infrastructure or back office services.
- Provide toolkits and incentives for nonprofits to be at the table.
- Address needs for leadership development, tech expertise, business operations expertise.

Conclusion

Community based nonprofit organizations serving Montgomery County are all trying to build a healthy community, but going about it separately. In an era of constrained funding, and growing need for services collaboration will be vital for us to continue to meet the needs of our community and work toward our various missions.

Nonprofits can learn from one another through communities of practice aimed at sharing knowledge of evidence informed practices, reaching consensus around important measures, and identify opportunities for cross-sector collaboration all with the goal of ensuring residents receive the most efficient services for their needs. Knowledge of best practices, concepts about what constitutes a safe healthy community, and metrics for measuring the community wellness are constantly evolving. The nonprofit sector must have the flexibility to innovate and be entrepreneurial in order to best serve residents in a changing landscape.

Appendix A: Event Agenda

A Community Roundtable for Collaboration

8:30 – 9:00	Registration and continental breakfast
9:00 – 9:15	Welcome and Opening Remarks <ul style="list-style-type: none">• <i>Lesley MacDonald, Acting Executive Director, Nonprofit Montgomery</i>• <i>Uma Ahluwalia, Director, Montgomery County DHHS</i>
9:15 – 10:30	A National Imperative for Joining Forces to Strengthen Human Services in America <ul style="list-style-type: none">• <i>Susan Dreyfus, President and CEO, Alliance for Strong Families and Communities</i> <p><i>Link to North Stars Report: https://goo.gl/iD9f88</i></p>
10:30 – 10:45	Nonprofit Inter Sector Collaboration in Montgomery County <ul style="list-style-type: none">• <i>Leslie Graham, President and CEO, Primary Care Coalition</i>
10:45 – 11:30	Small Group Discussions <ul style="list-style-type: none">• <i>Discuss reactions to the idea of creating communities of practice in order to facilitate in-sector and cross-sector collaboration among nonprofits in Montgomery County</i>• <i>Identify the most pressing issues or priorities to address in order to foster this collaboration</i>
11:30 – 12:00	General Session <ul style="list-style-type: none">• <i>Report out from discussion groups</i>• <i>Commitments and next steps</i>

Appendix B: Participating Organizations

- Adventist Health Care
- Aspire Counseling
- Career Catchers
- CASA
- Catholic Charities AHCN
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- CHEER
- City of Gaithersburg
- Community Bridges
- Community Ministries of Rockville
- Consumer Health First
- Every Mind
- Family Services, Inc.
- Girls on the Run
- Health Care for All
- Holy Cross Health
- Hospice Caring
- Housing Initiative Partnership
- Interfaith Works
- Jewish Social Service Agency
- Maryland Nonprofits
- Mercy Health Clinic
- Montgomery Coalition for Adult English Literacy
- Montgomery Community Media
- Montgomery County Coalition for the Homeless
- Montgomery County DHHS
- Montgomery County Food Council
- Montgomery Housing Partners
- Morris and Gwendolyn Cafritz Foundation
- Nonprofit Montgomery
- Office of Community Partnerships
- Primary Care Coalition
- Rainbow Place
- RS and F
- The ARC of Montgomery County
- The Dwelling Place
- Worksource Montgomery

Prepared by:



In partnership with Nonprofit Montgomery
Montgomery County Food Council
Montgomery Housing Partnership
Worksource Montgomery