

Sustainability Learning Review 2015

Viable Corporate Services



include
YOUTH



The
ATLANTIC
Philanthropies

Introduction

This paper will present the views of the chief executive of Viable Corporate Services and share the lessons that have been learnt to date for developing the VOYPIC, Include Youth and Viable partnership. While the partnerships were distinct in how they were designed, this paper illustrates the general lessons that can be derived and shared in developing future partnerships. The relationship with The Atlantic Philanthropies began in December 2013 when the partnership was awarded a three- year grant to establish Viable Corporate Services as a social enterprise company limited by share. The main focus of this funding was to develop corporate shared services for the partner organisations as well as deliver these services across the rest of the third sector.

In 2014 an additional grant was awarded that would enable Viable, Include Youth and VOYPIC to purchase and occupy a building in Belfast city centre. Investment from Atlantic has positioned the partnership in a very strong position to develop a sustainable model that will drive service innovation and increase the capacity to adapt to future economic and social circumstances.

As a social enterprise Viable has been developed through a partnership and will continue to develop learning and guidance papers to share the knowledge and best practice that is developed across the third sector.

Key successes

Established Viable as a social enterprise (June 2014 – May 2015)

- Set up Viable as a separate legal entity
- Established board chaired by chief executive of Bryson House
- Secured office accommodation
- Chief executive appointed
- HR manager, finance manager and finance officer appointed
- Joint venture agreement finalised
- Website launched

Developed corporate shared services portfolio (Jan 2015 to present)

- Identified systems and processes in relation to Finance, HR and strategic planning within each organisation
- Developed workflows to develop base line for current services
- Established projects plans to migrate services across from the partner organisations to Viable eg payroll, accounts receivable, payable.
- Developed supporting documentation for each process to be migrated, including policy, procedure manual, service level agreements (SLAs)
- Delivered HR advice and support
- First third-sector customer secured

Promoted collaborative learning (February 2014 to present)

- Delivered training sessions on best practice in corporate services and collaboration to NGOs and social enterprises
- Published guidance paper on the establishment of a Cost Sharing Group in the Voluntary & Community Sector in Northern Ireland

Purchased co-location for partnership in Belfast city centre (March 2015 to present)

- Developed a vision for the co-location with program staff, management, respective boards as well as young people

Achieving sustainability

Economic pressures experienced in the current economic climate have led to the reallocation and redistribution of government funding on an international and national scale. This has had a significant impact on service delivery in local communities. It is this backdrop that third sector partnerships in Northern Ireland have recognised that change is inevitable and that they must plan to adapt and become more innovative in delivering services and to ensure their future sustainability.

All too often, “impacts” to the third sector are considered as negative but it is time to start thinking differently. Imagine if the 3,821 third sector organisations in Northern Ireland, which employ 29,000 people and are supported by more than 46,000 volunteers could embrace new innovative ways of delivering services to local communities. Here there is the potential to have a positive impact and improve the lives of present and future generations.

Driver for change in Northern Ireland – partnership context

VOYPIC and Include Youth have been working together to develop the concept of shared corporate services since 2007. At this time the notion of shared services and collaboration was gaining currency within government as well as with some private funders. By the end of 2008 and with the support of NIO, DHSSPS and DSD the organisations were funded to commission a feasibility study to explore the possibility of sharing corporate services. This had been reflected in initiatives such as Positive Steps, which had been published the previous year. This process has been motivated by the desire to protect the future viability of these leading children and young people’s charities.

Sustainable partnerships – best practice

The partnership model presented by Austin and Seitanidi (2012) has been a useful framework for Viable to develop and grow partnerships across the third sector.



Stage 1: Partnership formation

In order to initiate successful partnerships a formative stage was required to explore, assess and develop any potential shared objectives. Most partnerships begin as a conversation, which then leads to more detailed discussions with further parties. This stage is about sharing an idea and exploring its potential and synergies with all of the parties involved.

Once the idea has been discussed it is important for the organisations to ensure that they can work together to create an “organisational fit”. Partners should then begin to understand and acknowledge the distinction in each of their respective organisations, goals and plans. Only then is it possible to move forward and develop common goals and platforms by identifying shared interests.

“A good organisational fit with clearly linked interests generates synergistic value. The more open minded the partnership is to innovation the more radical and unexpected the results will be.” (Austin and Seitanidi 2012).

The table on page 4 outlines in more detail the partnership formation in the Northern Ireland.

Northern Ireland partnership formation

Exploratory discussions	VOYPIC and Include Youth first discussed the concept of corporate shared services in 2007 (eight years ago). This vision was expanded to include the concept of sharing a number of high level strategic corporate services such as finance, HR procurement and business development
Organisational fit	Whilst the two organisations had not worked together previously as a collective they were similar in terms of size and they had both worked to support and improve the lives of young people across Northern Ireland. Driven by this common objective the two organisations looked to enhance this strong organisational fit and develop the partnership further.
Distinct organisations	From the outset Include Youth and VOYPIC respected the leadership and service delivery of both organisations. There was never an intention to complete a full merger; in fact this partnership was developed to solidify the organisations to deliver their individual missions and goals.
Linked interests	At this early stage the exploratory conversations centred on creating efficiencies within both respective organisations, especially with regards to finance and human resource functions as well as procurement strategies. The shared goal was to develop a cross-working executive team that could add value to the skills both organisations possessed already.

Stage 2: Partnership design and operations

In both partnerships, numerous discussions took place with a various stakeholders. These included staff, management, executive teams, board members and the populations that were being served. Sometimes the discussion focused on program activities whilst on other occasions the focus was on a suitable co-location for VTable.

The important point here was that the more open-minded the partnerships were in the discussion phase, the more innovative and unexpected the outcomes in practice.



<p>Program Level</p>	<p>Streamlining and developing best practices in both organisations leads to programs being managed more effectively and better long term service delivery.</p>
<p>Functional Level</p>	<p>Viable has been founded on the principle that the social enterprise will deliver corporate shared services to VOYPIC and Include Youth. These services include human resources, finance, and administration and facilities management. Consultations are also currently being conducted with staff in order to develop migration plans for modules such as payroll, accounts receivable, accounts payable and monthly management accounts. Each module will also have supporting policies and procedures as well as service level agreements.</p>
<p>Strategic & Governance Level</p>	<p>The partnership secured legal and financial assistance to explore the best legal structure for Viable to adopt. These guidelines were also published and made freely available to the third sector. In Jan 2014 the CEO's of VOYPIC and Include Youth as well as two members of their respective boards formed the Viable project board with an independent chair. This board has since met monthly to advise and develop the vision for the social enterprise. Discussions began at a board level within VOYPIC and Include Youth to develop a formal governance structure and manage Viable as a standalone company. The Joint Venture Agreement as well as the Articles of Association were drafted by the legal team and in May 2015 were approved and adopted by the Viable Board.</p>
<p>Physical Co-Location Level</p>	<p>As synergies at the program, functional and strategic level where being solidified it became more obvious that the next step would be to designate a Co-Location for Viable, VOYPIC and Include Youth. This will hopefully improve the economies of scale for the partnership and include not only financial savings in relation to procurement and facilities management but also provide organisational benefits. Housed in a new 'shared' site, it should also provide more effective and efficient services for young people. Finally this innovative model of shared corporate services should stimulate wider interest and action across the third sector. Developing a shared vision is extremely important and a number of meetings have been conducted to elicit ideas from programme staff, young people, the executive team and board members on what they would like to see within the building.</p>

Stage 3: Partnership institutionalisation

As the partnership design and operations become embedded within both organisations, there is the potential for much improved outcomes for all that are involved with the organisation. This may involve the opportunity to restructure the existing finance resources and streamline current activities. For example, this may include migrating accounts payable from VOYPIC and Include Youth.

This stage is cited by Austin and Seitanidi (2012) as the “point of emerged collective meaning” which requires a deinstitutionalization of partnership processes, structures, and programs. It can also represent an increasingly intense period as there can be multiple cycles of value creation.

In the Northern Irish context such multiple cycles of creation are centred on financial and human resource processes and procedures. The migration of each one of these new processes to Vtable creates added value for all the organisations involved, thus increasing the interactions within the partnership enhances as well as transfers knowledge development and skills throughout the partnership.

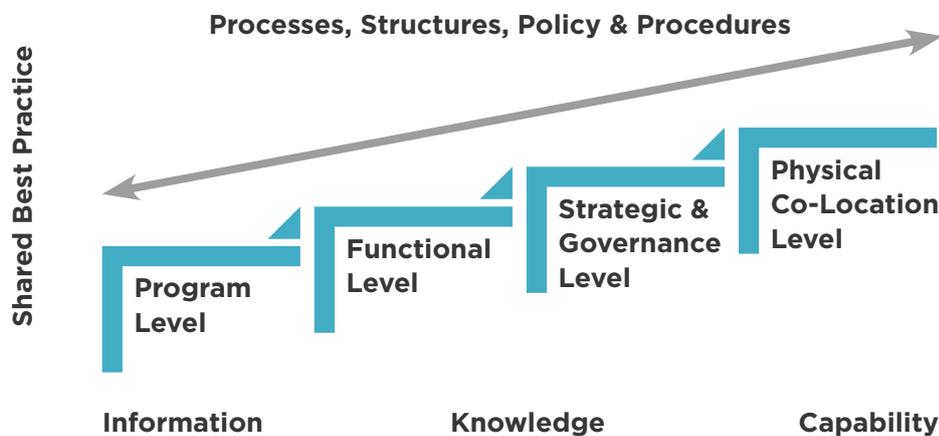
Stage 4: Value frame fusion

Value frame fusion provides a framework for partners to work through issues or differing

viewpoints and transform them into co-created goals throughout the partnership. To date the partners have repeatedly used their key assets and core competencies but rather than using them in an isolated fashion to perform just one activity they produce value for the partnership by combining these key resources through Vtable. These may represent finance, human resources, strategy, administration, fundraising and governance.

Concerns within a partnership at this stage may represent issues relating to accountability, decision making differences, leadership styles, achieving consensus, decision making, effectiveness in developing and implementing new standards and processes, reporting and evaluating performance, or simply just timely and appropriate communication. Developing formal structures and legal frameworks is vital to an effective value frame fusion stage.

This should enable the partnership to develop around a high level of trust whilst simultaneously acknowledge that should issues arise there is a clear and agreed approach to resolving any conflictual issues. Within the Vtable partnership a joint venture agreement, articles of association, policies, procedures and service level agreements have been put in place to ensure that service delivery is consistent and effective throughout the partnership.



Summary

It takes time, effort and consensus to build and develop a partnership. This report has demonstrated how there are many different stages that a partnership goes through from forming, to design and operations, institutionalisation and finally embedding the value frame fusion. Ultimately any partnership must have the goal of adding value through interaction with the different parties involved. The richer and more frequent that interaction the more value that can be added.

Implications for sustainability

Partnerships need not be complex

If you find at least one common goal you've found at least one reason for working together.

Partnerships can take time to develop

It can take some time even years to develop partnerships. It is important to allow partners time to explore common interests as well as organisational fit in order to increase the likelihood of a successful partnership. Guidance, steps and expertise to help navigate this process would be extremely useful.

Partnerships enrich knowledge, capabilities and shared practice

Embedding a partnership model across interested communities or organisations helps to encourage a sustainable approach to working. Sharing and creating knowledge, as well as capabilities and skills can lead to better ways of working together across the third sector to continue delivering services to present and future generations.

Partnerships create value and competitive advantage

Creating value is the core reason for entering into partnerships. The value creation is a dynamic process that changes as the relationship between partners evolves. The more the partners become familiar with one another the greater the potential to identify synergies. Parties involved in the partnership can access the other's resources and incorporate those with their non-shared resources, which will hopefully enhance competitive advantage.

Partnerships need structures and frameworks

Closer and richer interrelations between partners can potentially lead to profound structural and irreversible changes to the organisation and its people. Providing guidance around the formal structures that could support a partnership is vital so that disagreements can be addressed if necessary but also to expedite decision making and inform decision makers as they move forward with the partnership to create additional value.

References

Austin, James E., and M. May Seitanidi. 2012. "Collaborative Value Creation: A Review of Partnering between Nonprofits and Businesses. Part 2: Partnership Processes and Outcomes." *Nonprofit and Voluntary Sector Quarterly* 41 (6): 929–68.

