THE PARTNERSHIPS
RESOURCE CENTRE

How to make cross-sector partnerships work?

Critical success factors for partnering

© Olav Kaspers Fotografie

Key factors for successful partnering

Based on the experiences of state, market and civil society actors
engaged in cross-sector partnerships all over the world

Foreword

Firms, governments and civil society organisations increasingly acknowledge that 'wicked' problems cannot be solved alone. Instead, cross-sector partnerships are needed to address these problems effectively.

For the last five years, the Partnerships Resource Centre has been actively involved in developing and sharing knowledge on cross-sector partnerships around the world. One activity that we have systematically tried is to survey practitioners on their experience with partnerships for a large variety of projects and goals.

Some of this on-going research is presented in this booklet in which priority critical success factors -as perceived by practitioners- are described. There is remarkable consensus about these factors, surpassing topics, cultures and governance structures. Applying these lessons as a 'one size fits all' approach, however, is not to be advised. The critical success factors listed in this study present a shortlist of points for consideration when designing new partnerships, during the execution of partnership projects, and for understanding the conditions under which partnerships can have an impact. So rather than presenting a final stage in the creation of knowledge on partnerships, we consider these findings the start of a more in-depth research agenda. These continuous efforts will hopefully contribute to increased knowledge and awareness among partnership stakeholders. This is the prime aim of this booklet.

Prof. Dr. Rob van Tulder

Academic Director Partnerships Resource Centre

Identification of critical success factors is essential

Cross-sector partnerships are increasingly tried by firms, governments and civil society organisations as a means to address complex or 'wicked' problems. Large firms in the world have a growing portfolio of partnerships with non-market parties. The same applies to NGOs and governments, that seek public-private and profit/non-profit partnerships to provide social and public goods in a more efficient manner. Academics and practitioners have consequently sought for critical factors that make a success of such collaborations. Critical success factors

> "are those few key areas of activity in which favourable results are absolutely necessary to reach goals."[1]

Senior management support, clear goals, partner compatibility, leadership, ability to meet performance expectations, open communication, appropriate risk allocation, capable managers, trust building

© Joachim Wendler/Shutterstock.com

This study presents the insights of 294 state, market and civil society actors engaged in cross-sector partnerships all over the world. From 2008-2012 they were questioned on their experiences with -often- complex partnerships. We wanted to identify a number of common denominators that practitioners find relevant.

This resulted in a top-5 list of critical success factors for partnering, an explanation why these elements are essential for effective partnerships and how they can be realised.

START

CRITICAL SUCCESS FACTORS
("what must we do to be successful?")

CROSS-SECTOR PARTNERSHIPS FOR DEVELOPMENT

FURTHER READING:
Posthumus, B. (2012). CSOs & Business: joint agents for change. See www.partnershipsresourcecentre.org

PUBLIC-PRIVATE INFRASTRUCTURE PROJECTS

FUTHER READING:
Asian Development Bank (2008). Public-private partnership (PPP) handbook. See www.adb.org

VALUE CHAIN PARTNERSHIPS

FURTHER READING:
Drost, S., Van Wijk, J. & Mandrefro, F. (2012). Key conditions for successful value chain partnerships. See www.partnershipsresourcecentre.org

KEY PERFORMANCE INDICATORS
("what have we accomplished so far?")

FURTHER READING:
Wipf, J. & Garand, D. (2010). Performance indicators for microinsurance. A handbook for microinsurance practitioners. See www.microinsurancenetwork.org
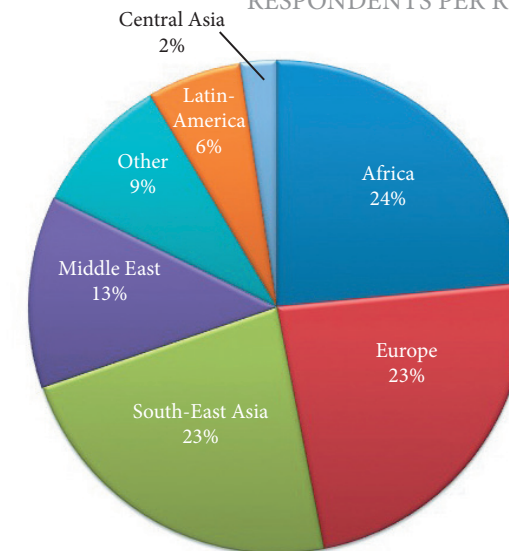
© Sarah Drost

RESPONDENTS PER SOCIETAL SECTOR
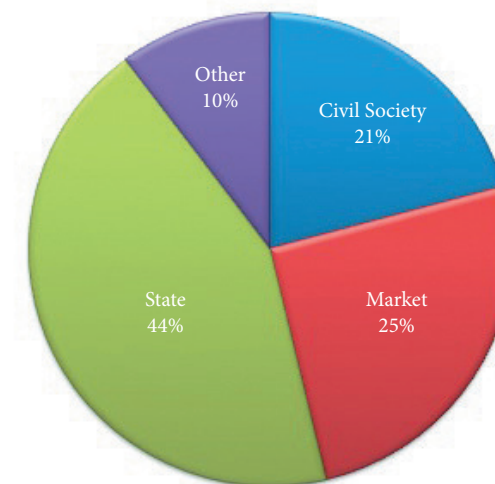
- 294 actors involved in cross-sector partnerships
- From state, market and civic sectors
- In a diversity of job positions, including project manager, director and technical advisor
- From different regions
- Originating from 32 countries, including The Netherlands, Philippines, Indonesia, Ethiopia, Colombia, Tanzania, and Lebanon

THE PARTICIPANTS OF THIS STUDY

RESPONDENTS PER REGION

1. Clarity of roles, responsibilities and groundrules

What

Partnership activities can involve matchmaking, brokering, coordination, mobilisation of resources, planning, communication, implementation and monitoring of the partnership project. Each partner should take on a role in the partnership that relates to its **core complementary competences**[2]. Governmental institutions for instance are best suited to provide legitimacy in the respective country. Private sector partners can exploit their management skills in the implementation phase. Civil society organisations have the ability to connect with the local community. Pooling these competences maximises the complementary strengths of each sector.

Why

A clear description of roles and responsibilities allows for accountability between partners and towards external stakeholders. It manages expectations before the partnership actually starts, thereby preventing potential misunderstandings between partners. The identification of principles and working practices -so called groundrules[3]- that are agreed by partners can help to develop **trust, transparency and mutual respect**.

How

➤ Safeguard that partners only do what they have expertise in

➤ Jointly specify the roles, responsibilities, and activities of each partner in the start-up phase of the partnership

➤ Be aware that roles can shift during the process of collaboration[4]

➤ Develop groundrules for the partnership that can work as 'reminders' in the event of anyone deviating from agreed ways of working[5]

➤ Ensure that each partner has the required skills for managing his/her task

➤ Define exit-conditions for terminating the partnership effectively

Groundrule examples[6]

Respecting/valuing partner diversity
Not 'going public' on issues without pre-agreement
Listening to each other
Being open/transparent
Empathic behaviour

2. Clear understanding of mutual benefits

What

The value of cross-sector partnerships lies in the potential to create **win-win situations**[7]. Mutual benefit entails that it is accepted that each partner organisation has the right to gain positive outcomes from the partnership. **Openness and transparency** on what partners would like to achieve is conditional for support from fellow partners in the partnership.

Why

Partners in the partnership should realise and recognise that the societal problem cannot be solved by only one of the partners. Ensuring mutual benefit is required for stimulating **commitment** by the partner organisations to the partnership, but also for **creating ownership** and sustaining the partnership outcomes.

How

➤ Reserve time for specifying the expectations of and benefits for each individual partner in the start-up phase

➤ Ensure that each partner benefits from the collaboration

© Sarah Drost

3. Clear vision of objectives

What

In effective partnerships, partners define and agree on partnership objectives and develop a strategy on how to reach these objectives. The identification and definition of joint objectives is a negotiating process, where partners have to consider the mutual benefits for each organisation involved. Once the objectives have been successfully negotiated, they have to be made measurable in defined and agreed upon indicators.

Why

A clear, **shared vision** of the partnership's objectives decreases the risk for discrepancies between partners' expectations and partnership outcomes. It also provides the basis for developing a partnership strategy (the route to follow) for reaching the jointly agreed objectives.

How

➤Define your own weaknesses and dilemmas

➤Ensure that the partners have taken enough time to clarify and negotiate the objective(s) of the partnership

➤Develop a partnering strategy that clearly marks the path towards reaching the envisioned objectives. Planning tools (e.g. GANNTT chart) support the development of operational plans

© Biletskiy/Shutterstock.com

➤Partners could start a process of scenario thinking on the actual exit phase of the partnership. Reflect creatively on the value of the partnership in situations with or without it

4. Clear communication, shared planning and decision making

What

Communication is the most prominent mechanism for relationship building between partners and for the partnership towards the external world. Joint planning involves negotiations on specific goals, activities, resources and outcomes that often result in a detailed project description. Partnership governance structures are needed to determine the functioning of the partnership and how decisions are made. Partnerships require sophisticated decision-making models that are able to address the complexity of the partnership in a participative manner throughout the different partnership process phases.

Why

Clear communication between partners increases information sharing and therefore transparency. Ultimately, this leads to mutual **understanding of each other's needs and requirements.** Partners' sense of ownership is promoted if they have a real responsibility in the process and the outcomes.

How

➤Develop a common partnership strategy document in an initial stage with explicit formulation of common objectives, joint strategic intervention and operational plans, accountability, and governance mechanisms

➤The more active actors are involved in the early phase of developing a partnership project the higher their interest and willingness to assume responsibility in the dialogue and implementation process

➤A wide range of governance models exists for partnerships. One example is collaborative governance that implies a collective decision-making process that is formal, consensus-oriented and deliberative[8]

➤Work on 'institutionalisation' (seek internal support for the partnership)

➤Clear communication also entails truly listening to each other

© S. Nivens/Shutterstock

5. Good leadership

Good leadership is key to successful guidance of cross-sector partnerships. What is the role of a 'leader' in a collaboration that is based on the notion of equity between the key partners? At different stages over the course of the partnering process one or more partners will take a more pro-active, more exposed leadership role. The challenge for the partners is to develop a leadership style that is based on guiding rather than directing[9].

If certain actors or organisations are in the position to bring in their own networks and resources and if they possess the capability to **bridge divides**, they can fulfil the leading role of partnership broker. Without guidance from one or more partners, gaps among stakeholders can remain wide.

➤ Searching for 'new' **collective styles of leadership** is recommendable. In a collective leadership form, all partners understand that they actually have a shared responsibility in taking the lead in the collaboration

➤ 'Credible leaders' that can act as partnership broker(s) are needed. If they seem absent, potential (local) leaders could be identified and supported in developing leadership skills and qualities

➤ Leaders create hope and optimism when the process seems to stagnate[10]

➤Partnerships leaders define the road and direction of the partnership, thereby making them 'transformational leaders'. Connected transformational leaders link the internal organisation with the external partnership

"It is mainly his strength as a diplomat and as a person with genuine interest, that has lead to concrete cooperation with the government, opening access to international export markets, and an increase in ministerial attention to the apiculture sector as a whole"

Program coordinator Ethiopian NGO

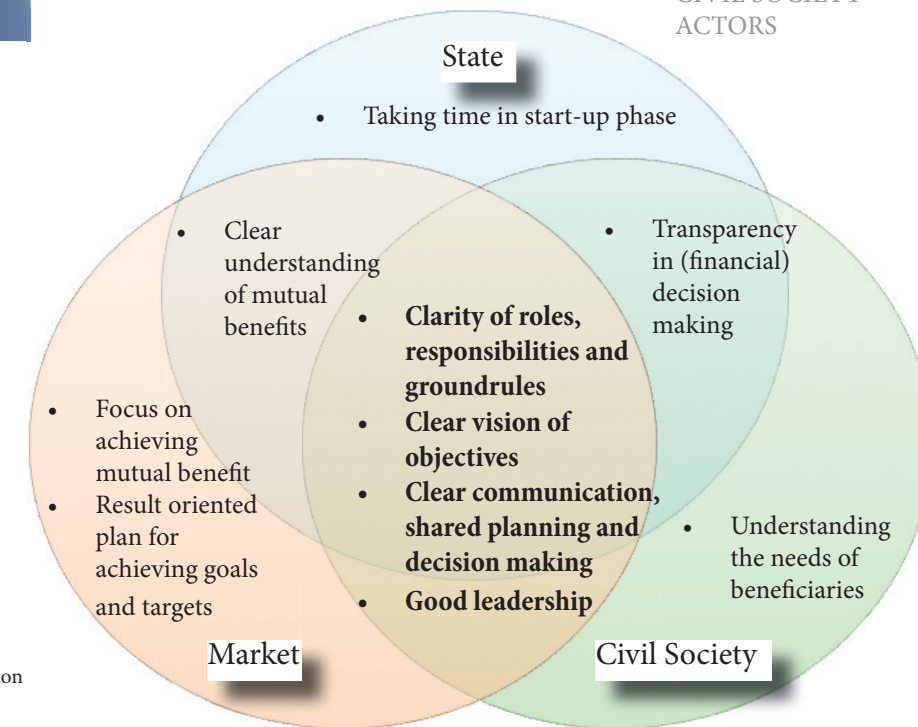# Different sectors, different perceptions?

Yes and no. Interestingly, individuals from state, market and civil society sectors generally agree on most critical factors for successful partnering.

But there are some differences too. Actors from civil society organisations tend to put greater emphasis on understanding the needs of (local) beneficiaries. And state actors pointed to the importance of taking time in the initial starting up phase of the partnership.

"Businesses constantly ask: 'what's in for me?' NGO's make different cost-benefit analyses since principles have no financial value"

Vice Chairman Taskforce Dutch business organisation

PERSPECTIVES FROM STATE, MARKET AND CIVIL SOCIETY ACTORS

State
- Taking time in start-up phase

Market
- Focus on achieving mutual benefit
- Result oriented plan for achieving goals and targets

- Clear understanding of mutual benefits

Civil Society
- Transparency in (financial) decision making
- Understanding the needs of beneficiaries

- **Clarity of roles, responsibilities and groundrules**
- **Clear vision of objectives**
- **Clear communication, shared planning and decision making**
- **Good leadership**

Although partnership managers from diverse regions in the world identify the same top-5 critical success factors, there remain differences too. African partnership managers -compared to representatives of European organisations- put more value on:

- Available financial markets
- Government involvement in providing guarantees
- A stable macro-economic environment

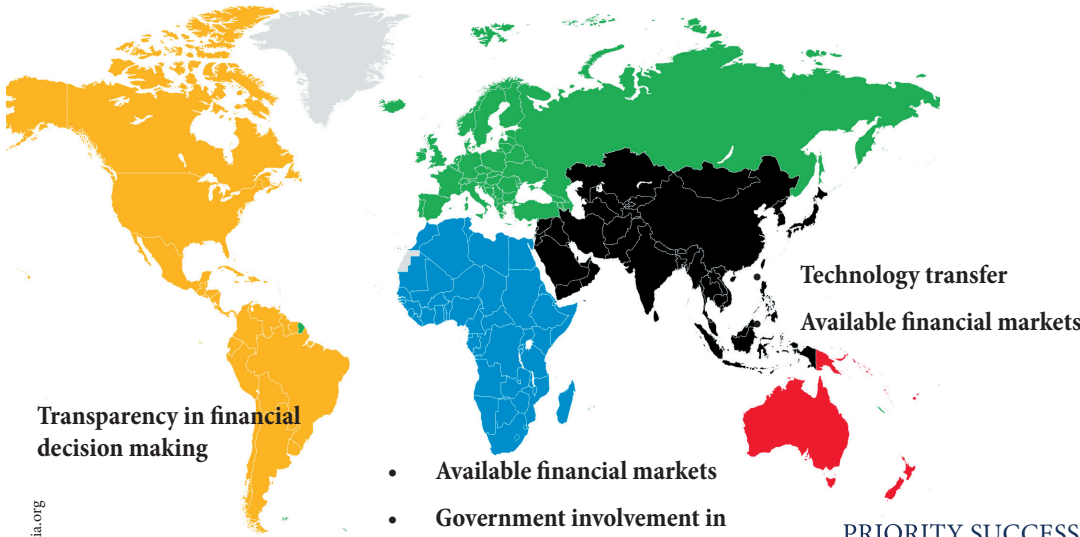These differences in emphasis are prabably reflecting the poor institutional stability in many parts of the African region.

Managers from Central and Southeast Asia organisations highlight the importance of technology transfer in partnerships compared to managers of European organisations.

And Latin-American managers emphasise transparency, which is typical for relatively low-trust societies.

© Jeannette Dewaerheijt

Do partnership managers of different countries have other top priority critical success factors? The answer is no. The top-5 critical success factors prove similar for partnership managers operating in different countries. Partnership managers from Indonesia, Morocco, Ethiopia, the Philippines, The Netherlands, Oman, Kenya, Lebanon, Colombia, Tanzania, Malaysia, and Iraq share comparable priorities.

Critical success factors such as 'a stable macro-economic environment', 'technology transfer', and 'government involvement in providing guarantees' were higher valued by partnership managers of Ethiopia and Tanzania. In Iraq, the valuation of 'need for regular informal meetings' and 'keeping the momentum of what is started' is lower compared to that of managers from Ethiopia, Malaysia and Tanzania.

© Map: wikipedia.org

Transparency in financial decision making

Technology transfer

Available financial markets

- **Available financial markets**
- **Government involvement in providing guarentees**
- **Stable macro-economic environment**

PRIORITY SUCCESS FACTORS FOR PARTNERSHIPS IN DIFFERENT REGIONS

Priority success factors per country

CRITICAL SUCCESS FACTORS FOR PARTNERING

Partnerships are context specific, and their success bound to the type of sector, region and country where they are operating. Yet, market, state and civil society actors engaged in cross-sector partnerships all over the world pointed to five more or less 'universal' critical success factors for partnering:

1. **Clarity of roles, responsibilities and groundrules**
2. **Clear understanding of mutual benefits (win-win)**
3. **Clear vision of objectives**
4. **Clear communication, shared planning and decision making**
5. **Good leadership**

References

1. Rockart, J. F. (1979). Chief executives define their own data needs. Harvard Business Review, 57(2), 81.

2. Warner, M. and Sullivan, R. (2004). Putting Partnerships to Work: Strategic Alliances for Development Between the Government, the Private Sector and Civil Society. Sheffield: Greenleaf Publishing Limited.

3. Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.

4. UN Global Compact (2013). UN-Business Partnerships: A Handbook. UN Global Compact Office: New York.

5. Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.

6. Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.

7. Bitzer, V, van Wijk, J., Helmsing, B., van der Linden, V. (2011). Partnering to facilitate smallholder inclusion in value chains. In: B. Helmsing and S. Vellema (eds), Value Chains, Social Inclusion and Economic Development. Contrasting Theories and Realities. Routledge: 222-246.

8. Pfisterer, S., Van Dijk, M.P., Van Tulder, R. (2009). Summary Report. Effectiveness of the World Summit on Sustainable Development Partnership Programmes in East Africa and South East Asia. Final Report for the Dutch Ministry of Agriculture, Nature and Food Security and the Dutch Ministry of Foreign Affairs. ECSAD: The Hague.

9. Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.

10. Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.

Glossary

Core complementary competences

point to a degree of complementarity between the different core competences of each partner organisation. Each partner organisation should do what it is very good at. See Warner, M. and Sullivan, R. (2004). Putting Partnerships to Work: Strategic Alliances for Development Between the Government, the Private Sector and Civil Society. Sheffield: Greenleaf Publishing Limited.

Critical success factors

are those few key areas of activity in which favourable results are absolutely necessary to reach goals. See Rockart, J. F. (1979). Chief executives define their own data needs. Harvard Business Review, 57(2), 81.

Cross sector partnerships

are inter-organisational relationships in which actors from two or more spheres of society (state, market and civil society) are involved in a collaborative process through which these actors strive for a jointly defined goal. This basic definition is compatible with a wide range of definitions used for cross-sector partnerships in policy (e.g. OECD, 2006. Promoting pro-poor growth - Private sector development) and academics (e.g. Glasbergen, P., Biermann, F. and A.P.J. Mol (eds.), 2007. Partnerships, Governance and Sustainable Development: Reflections on Theory and Practice, Cheltenham, UK; Northampton, USA, Edward Elgar).

Groundrules

are base-line principles and working practices agreed between partners. See for instance Tennyson, R. (2003). The Partnering Toolbook. IBLF and GAIN. London.