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Strategic partnerships in public service

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INSIGHTS ON **STRATEGIC MANAGEMENT** *by CHRISTINE GIBBS SPRINGER*

Strategic Partnerships In Public Service

Strategic partnerships, when done right, provide participating organizations with a chance to learn and benefit from one another and to achieve results they could not achieve alone. These joint ventures are not only beneficial between businesses. In the public, non-profit and government to business environment they allow organizations to leverage their respective strengths, minimize their weaknesses and pool resources to attain goals both large and small that would otherwise be impossible because of competitive environments, shifts in technology, demographics and changing stakeholder interests.

These partnerships usually come together due to four pre-conditions:

- Multiple Independent Organizations–most often two or more agencies collaborate successfully by recognizing and addressing the differences in cultures, goals, management structures, constitutional, statutory and budgetary restraints.
- A mission that cannot be achieved without the aid of the other and this interdependence holds the venture together.
- A clearly defined objective that benefits all and is established up front.
- An agreement on the supporting elements of objectives such as target activities and completion dates including a joint oversight committee who agrees to take responsibility for outcomes and progress.

Typically, these ventures take on a form which may be loosely, moderately or tightly constrained.

In a loosely coupled relationship, the agencies agree to pool resources and to pursue opportunities such as a county and city pooling advertising dollars to attract economic development or conventions. An example of this is when Tempe and Chandler, AZ agreed in 1996 to jointly build an outlet mall.

In a moderately coupled relationship, the agencies form a more formal relationship such as jointly defining a development corridor. An example of this is when Queen Creek, AZ and Gilbert, AZ entered into an intergovernmental agreement to set a mutual boundary in an unincorporated area so that a major residential development, golf course and resort could be built on more than 1,000 acres of orange groves straddling the boundary.

In a tightly coupled relationship, the agencies formally integrate resources such as infrastructure, services and processes. This kind of venture requires legal contracts due to the greater interdependence and the depth of the relationship. Often a new organization is created such as the Cambridge Family Health Center created by the Clark County Nevada Health District, the Clark County Health Access Consortium and the Nevada Health Center to provide options for the medically underserved and uninsured members now providing care to 35,000 per year which translated to 70,000 patient visits per year.

In order for a joint venture to be successful, there needs to be a thorough understanding of expectations of each partner. These kinds of relationships are a little like playing CHESS–they are only successful when there is a clear understanding of the nature of the competition, historical influences, economic and electoral climate, societal events and stakeholder commitment.

The twelve-step process to successful partnerships starts with trust between the partners which may need to be built and ends with accepting the fact that the relationship will run its course and conclude so that an exit strategy should be planned from the beginning. In between, the relationship should be managed as indicated below:

- Build trust
- Define mission, goals and objectives
- Define community benefits and the public interest served
- Complete a self-evaluation
- Know the partner agency and stakeholders involved
- Establish relationship boundaries
- Determine initial projects (when in doubt, start small)
- Maintain independence until the relationship gels
- Maintain the relationship so that it becomes strong
- Live up to commitments
- Develop and delivering on exit strategies

In order to determine whether or not there is potential for a strategic partnership, it is important to define first the prospective mission, objective, goals and opportunity. The mission should clearly state what will be produced that could not otherwise be gained. The objective should clearly state the benefits to all parties including the public interest. The goals should define explicitly the target customer or stakeholder, the product or service to be provided, costs and pricing. The opportunity should examine resource requirements and decide exactly how they will be met as well as how resources will be used and why there is opportunity in pursuing the partnership.

Determining whether or not an agency is a good business partner requires a mutual review of characteristics so that the relationship builds into long-term success. Ideally, agencies should align with one another according to leadership, size, longevity, interest, budgetary commitment and time line. Leaders involved in taking responsibility for outcomes should like and respect one another enough to be willing to work together having a mutual trust in one another's ability to meet deadlines and financial goals. Similarly sized agencies often work best with one another because there is equal risk however, acknowledging up front the stakes, commitment and value of each partner is also a key to success even when some partners are large and some are small. Longevity acknowledges the interest in building a long term relationship beyond the immediate one and a commitment to build internal competencies and a relationship that will lead to more opportunities. Interest needs to be similar for both partners because a mismatch will cause bottlenecks or other problems. Budgetary commitment is critical so that all parties are able to deliver on financial promises. Timelines should be discussed and agreed upon to so that progress is not defined differently.

Making the relationship work requires the establishment of relationship boundaries, determining what initial project will be pursued, maintaining both independent oversight and nurturing the relationship. Too often, there is a rush into a strategic partnership without first identifying and establishing boundaries and clearly understanding legal and budgetary constraints. Boundaries can be set by looking at the following areas as a kind of frame for the future relationship:

- *Current Relationship*–how well does the relationship work today with regard to interfaces between elected and appointed officials, middle managers, specialists or professionals and information technicians.
- *Emerging or Future Relationships*–how the partnership is envisioned including a best-case and worst-case scenario of how the relationship could end, grow and prosper.
- *Processes*–how well each agency understands the different processes that it uses to operate and manage its responsibility to meeting the objectives laid out and how these processes might change by virtue of working with the other agencies.
- *Procedures*–how rules providing guidelines and direction will be executed and completed and by whom.
- *Interface with Citizens*–how the partnership will be communicated to individual citizens and to the community as a whole.
- *Decision making*–how decisions will be made and what steering committee, legislative body, hierarchy or intergovernmental agreement will rule.
- *Conflict Resolution*–how conflict will be managed, because disagreements always occur at the same time relationships are built.
- *Culture*–how values and belief systems that guide and establish the uniqueness of each agency will be acknowledged and addressed because ignoring them may make the difference between success and failure.

Often, strategic partnerships are talked about but never come about because success requires that the right project providing real value to all parties be identified and pursued. The right project must have a commitment to success from the agencies and their leaders and it also must have real value in the eyes of the community and targeted stakeholders. Usually this means conducting a detailed resource requirement review and coming up with an equally detailed time line because without a definition of success for each agency, there is no success.

When the strategic partnership has run its course and is about to end, all parties should be better off as a result of having been involved. Often achieving this end depends on how much independence each agency maintains during the partnership because they need to be able to clearly communicate benefits. In order to do so, elected officials and executive management must be clear about what needs to be achieved for them to view outcomes as successful. There needs to be an expectation with management and staff of each agency that their objectives and job responsibilities are to seek out new processes, procedures, technologies and opportunities from partnering agencies so as to take advantage of the relationship within agreed upon limits. Cross-functional teams need to be developed so that there is an opportunity to experience diverse functions, challenges and opportunities. When this happens, the vision involved in a strategic partnership is realized and the public interest is truly served.

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