

# SHARING NONPROFIT SERVICES IN BERKSHIRE COUNTY

By Erin Sullivan

## Introduction

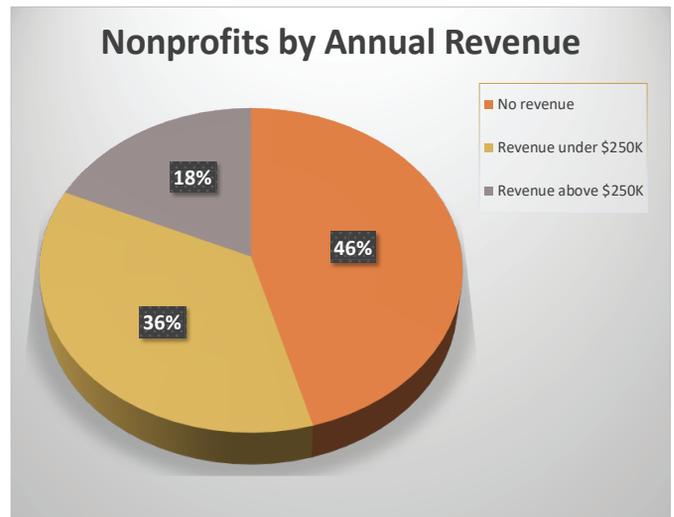
There has been much discussion in the Berkshires about the state of nonprofits. In 2008 and again in 2015, Stephen Shepard and Kay Oehler of Williams College were asked by the Berkshire Chamber of Commerce (now 1Berkshire) to conduct a study of nonprofits and their economic impact on the community. While the report showed the importance of nonprofits on the local economy, it also raised some concern as to the number of nonprofits. As the Berkshires' population declines and the median age increases, there is growing worry that the community will not be able to support the growing number of nonprofits.

Since that report, efforts have been underway to promote shared services and possible mergers of some nonprofits in an attempt to promote efficiency and effectiveness. This past spring, I partnered with the Nonprofit Center of the Berkshires to complete my Capstone project, the final requirement for my newly acquired Masters Degree in Public Administration. We explored the topic of shared services and found that most Berkshire nonprofits are involved in some form of informal collaboration. They believe that shared services can help increase efficiencies and advance their mission. There is frustration, however,

**“Private mergers don’t improve customer satisfaction – it’s about money – more money for stockholders. Nonprofits need more money to survive and meet the needs of clients/community. Funders are not going to save money through nonprofit mergers.”**

over the lack of a unifying voice for nonprofits and the support required to enter into shared services.

We endeavored to discover which nonprofits are willing to participate in shared services, what levels of shared services are of interest or seem most beneficial and how shared services can help the nonprofit to meet its mission.



Researchers in this field show there is no single reason a nonprofit leader will enter a shared services agreement. A need to increase resources is often the instigator of exploring shared services. Others identified organizational survival, revenue fluctuations, competition, and improved services which an organization could not provide on its own, as a reason for collaboration. Additionally leaders of nonprofits will enter into these conversations to address environmental insecurity, institutional legitimacy, improving their strategic positioning, and growth.

## Methods

In order to assess the interest of local nonprofits surrounding the use of shared services, we collected both quantitative and qualitative data in the forms of an email survey, focus groups, and one-on-one interviews. Forty-eight individuals participated from 48 organizations, representing a diversity of size, type, budget, and experience of nonprofit leaders. Respondents were primarily executive directors, senior administrators and a few board members. South, central and northern Berkshire County were represented.

“Compromising needs for the sake of sharing - maybe what fits my organization wouldn’t fit someone else’s, and so we have to compromise and perhaps not get what we really need.”

## Findings

Nonprofits in the Berkshires are already participating in a spectrum of shared services mostly on the informal end of the spectrum. Survey respondents strongly agree that shared services can be an effective way to deliver services, can improve the quality of their services and can build a strong sense of community. One participant reported a past meeting of executive directors, which shared information and partnered on funding opportunities, that has since been discontinued as the partnership tried to develop a collaborative website that no organization was able or willing to administer. Others wondered if more formal collaborations could solve the issue of “too many nonprofits, not enough money, and too much competition.”

### Shared services experiences included:

- facility sharing
- The Community Connector (a referral service for clients creating a “no wrong door” approach)
- partnerships through grants
- professional development and training opportunities
- program partnerships to meet the needs of clients

## What Levels of Shared Services Are of Most Interest or Beneficial?

Survey participants reported a high incidence of low level shared services: 93 percent reported involvement in collaborations while 37 percent reported alliances. In response to future interest in shared services, two-thirds answered as wanting to participate in both collaborations and alliances.

### Some participants identified a need for practical shared services:

- lawn care
- listserv
- software

- a catalogue of nonprofit services
- grant applications
- space
- backroom operations like human resources, IT, fundraising, finance, or bulk purchasing

Other participants identified partnership elements that would result in a different way of doing business (more formal agreements), and the need to have trusting relationships between leaders and boards and serving clients better. Respondents discussed trust between leaders and boards, alignment of missions, and shared goals, vision, and values. In order for an agreement to be equitable, organizations need to recognize their areas of strengths and weaknesses. If one organization was in a weaker financial position than another or in a crisis, this is not a good time to enter into shared services, although this is often the instigator for a nonprofit to start exploring partnerships. It was felt that shared services work best when building on each other’s strengths while recognizing there is tension created when coming together. Identifying a facilitator to help with the process and after partnering was also mentioned. “We need help leading up to it, finding the right partner(s), planning, strategizing, as well as post implementation help with transition, and then help in two to five years after to ensure success,” noted one nonprofit leader.

## The Need for a Backbone Organization

Others thought of geography as a barrier due to no single, unifying voice for nonprofits. Many commented that this could/should be the role of either the United Way, Berkshire Taconic Community Foundation, 1Berkshire or the Chamber of Commerce. However, there was not an agreement as to which agency would be best due to the divisions in their own sectors—there are three separate United Way organizations, two regional chamber of commerce organizations with many dedicated to specific towns, and a community foundation that covers three counties in three separate states. There is no county-wide organization looking at a collective vision versus their own mission, as county government in Massachusetts was disbanded in the

late 1990s. Participants felt there was no organization to be the “backbone” of shared services, and act as a leader for nonprofits. In the past, there were executive director roundtables which informed much of the work of nonprofits; some expressed concern that decisions about how nonprofits’ work were now being made by donors and funders, and not based on the needs of the community.

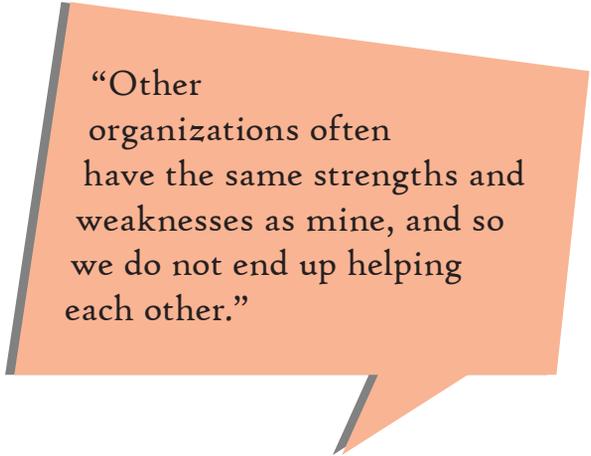
## Changing the Conversation

There was much conversation about duplication and competing services – real and perceived. Participants also discussed the bad reputation nonprofits were getting because of the dialogue about too many nonprofits and duplication of efforts. Many agreed that nonprofits needed to do a better job supporting each other and building on the good work and partnerships that are occurring.

One respondent commented, “Despite much talk in favor of collaborating and coordinating services there is still much duplication of services that occurs and competitive instead of cooperative actions taken by area organizations.”

While the Shepard & Oehler report changed the conversation about nonprofits in Berkshire County with a focus on the number of nonprofits, the good work and purpose of nonprofits was left out of the conversation —there was little conversation about meeting the social, cultural, or quality of life needs of the community. This is evident in participants’ comments of increased competition and a feeling of cynicism about nonprofits. Local nonprofit leaders agreed that initially there are increases in staff time and resources to manage a shared services agreement, and that financial gains may not to be realized for years – if ever. They felt the impact and increase in quality of services should be the measure of success.

Participants in the Capstone survey expounded on the fact that nonprofits in the Berkshires were already involved in multiple shared services agreements with no acknowledgment or assistance from funders or the community. They understand the value of partnership in furthering their mission and meeting the needs of their clients. They discussed expanding their reach, using all available resources, creating a cohesive system for clients, and building on each others strengths. Further,



“Other organizations often have the same strengths and weaknesses as mine, and so we do not end up helping each other.”

they discussed how working together throughout the sector could also bring the community together. In pursuit of their own missions, nonprofit leaders need to be bold and innovative to create an environment for shared services to grow with community support.

## The Pluses of Sharing Services

No matter the size of the organization, nonprofit leaders realize they all face similar challenges, and addressing those together will bring the community together to serve clients best. Participants discussed possible and realized benefits when considering shared services: obtaining more and bigger funding opportunities, taking advantage of all resources available, expanding the reach of their impact, and providing more comprehensive services for clients. In small nonprofits, staff must be skilled in many areas — shared resources could build the capacity for them to meet their mission more fully. Leaders felt that this could lead to more authentic program creation as opposed to funding driven program development.

## Perceived Barriers to Sharing Services

- Time constraints of executive directors and other staff
- Fear that shared services would result in a reallocation of resources which initially might require more time and money
- Fear of losing autonomy
- Mission drift
- Job loss
- Changing business partners and practice
- Being responsible for failing programs
- Competition for funding
- Difficulty getting staff & board buy-in
- Being able to demonstrate value
- Geography

## Conclusion

There needs to be a shift in the conversation about the nonprofit sector in the community, so that it is seen not as a resource drain but as a true asset. Just as nonprofits are dependent on the community, the community is dependent on nonprofits – not just for social services. Our economy is dependent on a thriving nonprofit sector, and this should be highlighted and shared.

There is opportunity to strengthen the nonprofit sector through increased conversations and relationship building. There is clearly a need for a unifying organization to bring the good work of the nonprofit sector to the forefront and to act as the “matchmaker” between new ideas and the existing sector. Developing a vision for the sector may result in a stronger, unified region with the ability to increase impact and attract larger funding opportunities.



“Shared services tend to be Pittsfield (central) centered without adequate attention to south county... we, most often, have to go to Pittsfield to participate with not much reciprocity. So, travel time and transportation are additional parts of time constraint.”

Erin Sullivan has worked in nonprofits for over 20 years. She is currently the Director of Community Relations at Berkshire Children and Families. She just completed her Master’s Degree in Public Administration from the University of Colorado, Denver with a nonprofit management concentration.

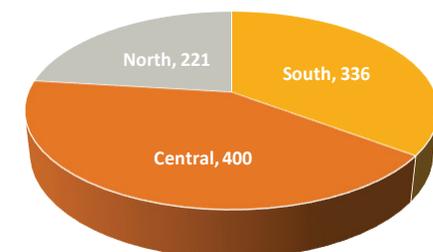


## NUMBER OF NONPROFITS BY CITY/TOWN

CITY/TOWN	NUMBER OF NONPROFITS	REGION
Cheshire	12	c
Dalton	46	c
Hancock	2	c
Hinsdale	14	c
Lanesborough	14	c
Peru	2	c
Pittsfield	295	c
Richmond	8	c
Washington	1	c
Windsor	6	c
Adams	44	n
Clarksburg	5	n
Florida	4	n
North Adams	86	n
Savoy	3	n
Williamstown	79	n
Alford	7	s
Becket	21	s
Egremont	4	s
Gt. Barrington	103	s
Housatonic	14	s
Lee	35	s
Lenox	59	s
Monterey	14	s
Mt. Washington	1	s
New Marlborough	5	s
Otis	11	s
Sandisfield	5	s
Sheffield	40	s
South Lee	2	s
Stockbridge	30	s
Tyringham	1	s
West Stockbridge	14	s

## NUMBER OF NONPROFITS IN BERKSHIRE COUNTY

TOTAL APPROX 987



■ South ■ Central ■ North