



Beyond Collaborations

Strategic Alliances for Nonprofits

1:00 – 2:15pm
March 12, 2025



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Mohkinsstis Land Acknowledgement

Bearspaw First Nation

Siksika First Nation

Piikani First Nation

Goodstoney First Nation

Chiniki First Nation

Kainai First Nation

Tsuut'ina First Nation

Métis Nation of Alberta, District 5 and 6

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Your Facilitators for

Beyond Collaborations Strategic Alliances for Nonprofits

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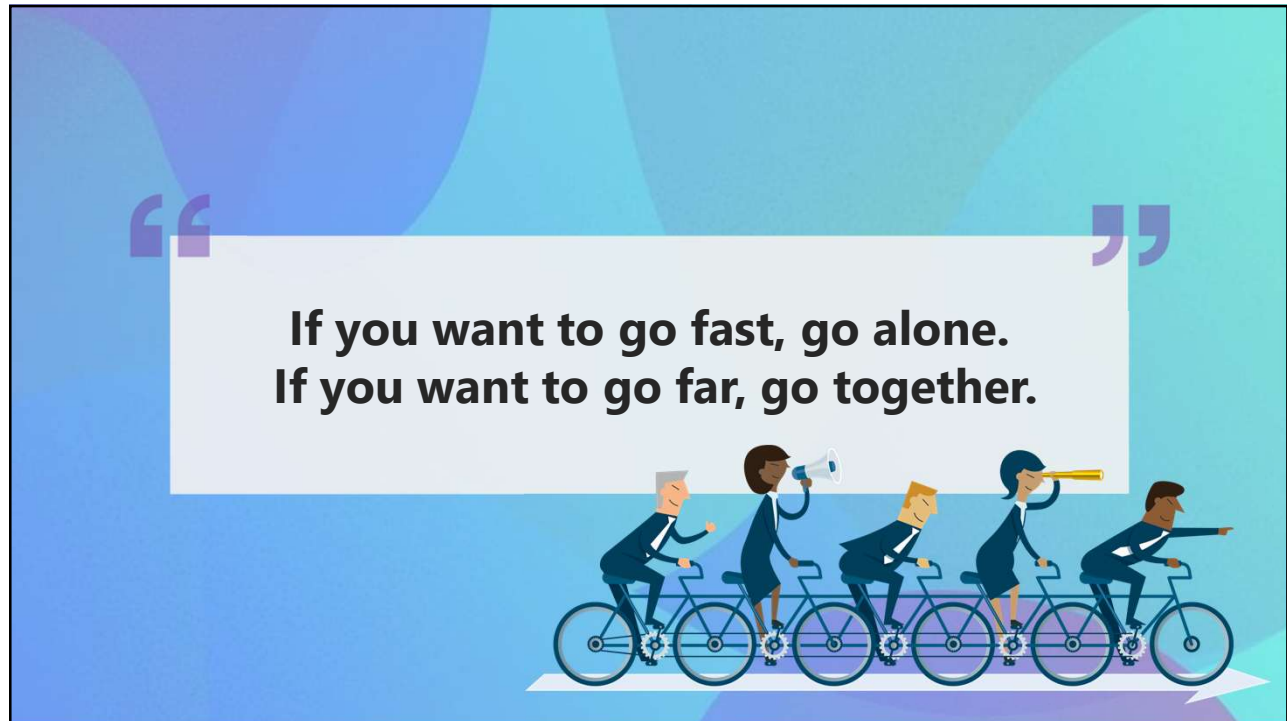


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Overview

- Strategic Alliances Continuum
 - Collaboration
 - Corporate Integration
 - Formal Alliance
- Planning, Considerations, Barriers, & Communication
- Breakout Exercise - Scenarios

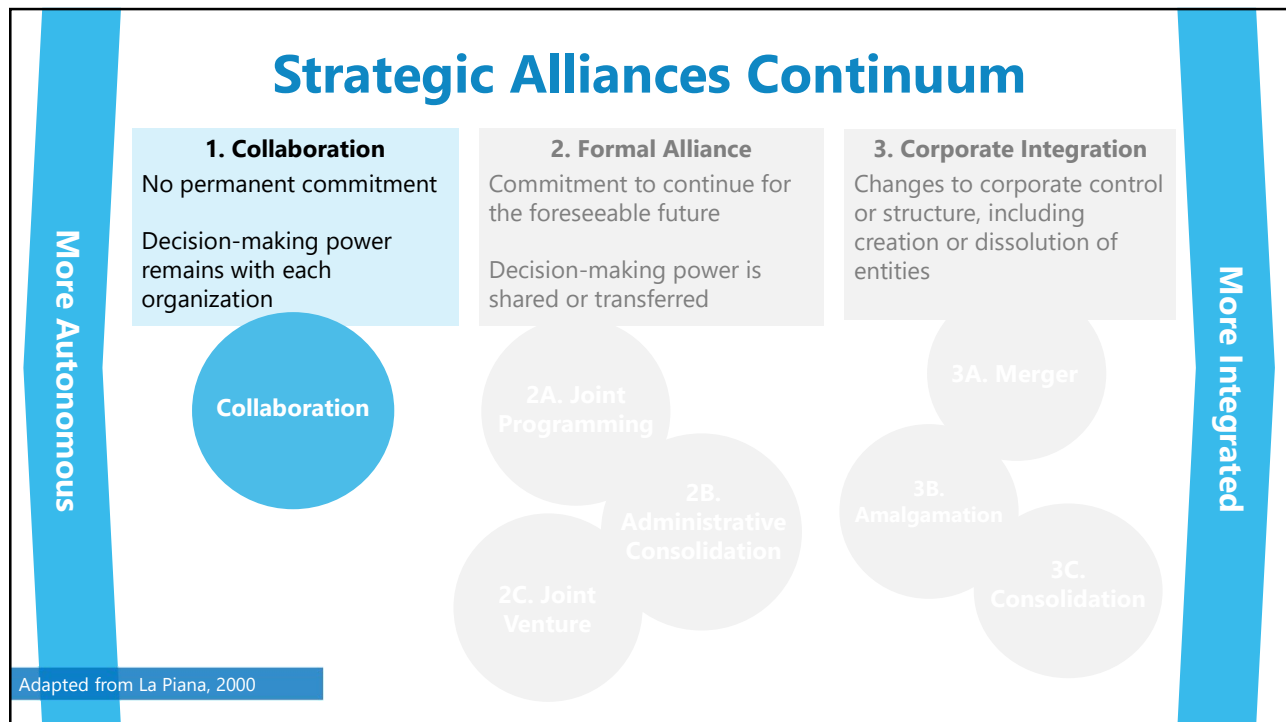
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Collaboration

Collaborations offer great flexibility in pursuing such goals without requiring any change in how partner organizations are structured or managed and need last only so long as it takes for goals to be reached.

If you want to...

- Pool expertise or resources
- Amplify a policy message
- Create and share collective wisdom
- Tackle social issues requiring sustained, coordinated action



Source: La Piana, 2000

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Strategic Alliances Continuum

More Autonomous

1. Collaboration

No permanent commitment

Decision-making power remains with each organization

Collaboration

2. Formal Alliance

Commitment to continue for the foreseeable future

Decision-making power is shared or transferred

2A. Joint Programming

2B. Administrative Consolidation

2C. Joint Venture

3. Corporate Integration

Changes to corporate control or structure, including creation or dissolution of entities

3A. Merger

3B. Amalgamation

3C. Consolidation

More Integrated

Adapted from La Piana, 2000

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Corporate Integration Amalgamations, Mergers, and Consolidations

Corporate Integration may be right for you, as such goals are often well served by highly integrated and permanent partnerships.

If you want to...

- Combine specific skills and expertise,
- Consolidate administrative and program areas, or
- Enhance service offerings, expand reach, and/or eliminate redundant administrative or programmatic activities.



Source: CRA, 2023

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Merger Example

NATIONAL
access
ARTS
CENTRE

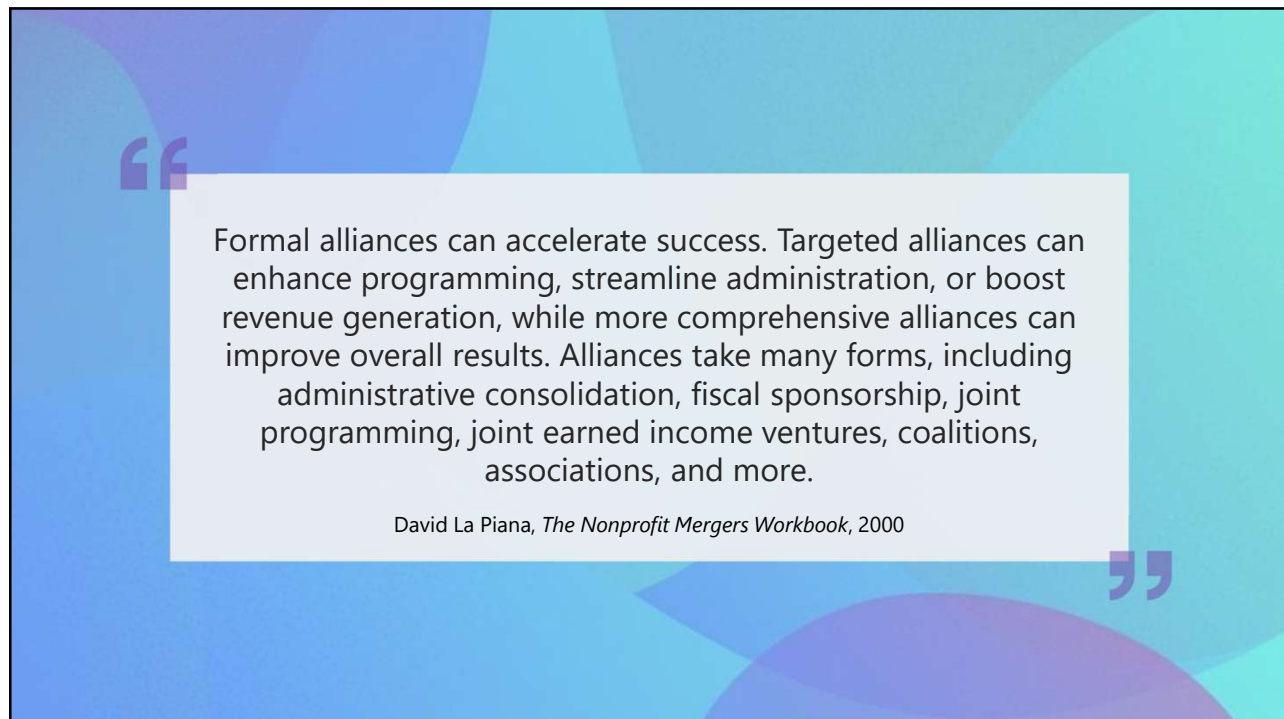
Image Source:
https://www.facebook.com/photo.php?fbid=599482405553179&set=pb.100064742734392_-2207520000.&type=3



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Formal Alliances

Alliances of various types can be very effective. While they tend to be *more formal and longer term than collaborations*, they still allow partners a significant level of organizational autonomy.

If you want to...

- Develop a more robust level of organizational efficiency
- Provide services or programs
- Share the benefits (and risks) of a revenue-generating social venture
- Network and share learning
- Leverage advocacy, purchasing power, standards setting and enforcement, or other activities



Source: La Piana, 2000

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connectFASD

Formal Alliance
Example

Image Source: <https://www.facebook.com/CalgaryFASD>



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Resolve Campaign

Formal Alliance Example



Image Source: <https://www.facebook.com/RESOLVEyyc>

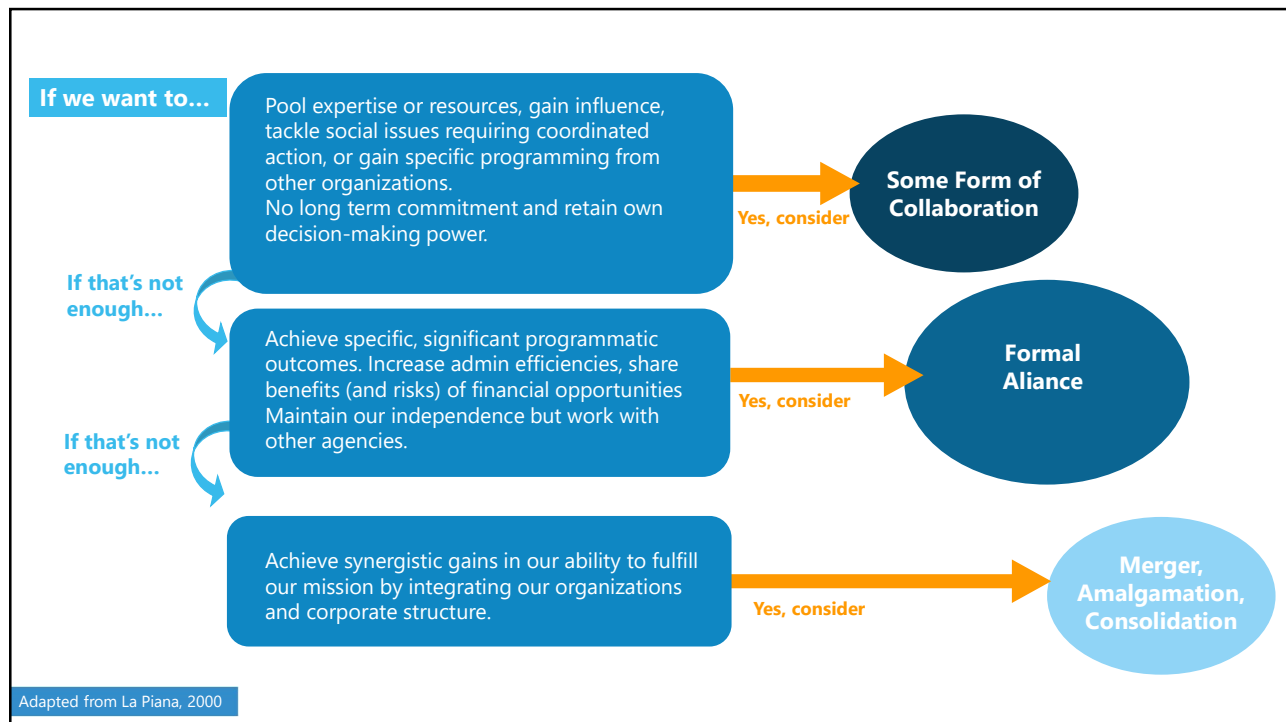
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**Chilcotin
Community
Cooperative**

Formal Alliance Example



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The State of the Sector

There are several indicators that 2025 will be challenging for nonprofits.

- Inflation rates have returned to target levels, but the past 2-3 years of price increases remain and continue to place pressure on organizations.
- Affordable housing for both staff and clients are a challenge for almost every subsector of nonprofits
- High levels of economic uncertainty with political changes in Canada and the US.
- Workforce (paid and unpaid) challenges remain for nonprofits with decreasing volunteerism and staff burnout / retention issues.

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Getting Started

- Identify your strategic drivers
- Determine your readiness
- Find and approach a partner

Source: La Piana, 2000

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Identify Your Strategic Drivers

- Enhanced Services/Addressing Gaps
- Strengthen Infrastructure/Administration
- Sustainability
- Advocacy/Influence
- Need for Disruption



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Determine Your Readiness

Conduct a self-assessment:

- What are our strengths and weaknesses?
- What capacities do we have to support an alliance?
- What are we willing to give up?
- What risks will we incur in an alliance?



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Find and Approach a Partner

- **Identify** criteria
- **Consider** existing relationships
- **Assess**
 - Trust
 - History
 - Reputation
 - Contributions



Adapted from La Piana, 2000

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Enter in Chat



Consider the current/future environment and the pressing issues your agency is facing and **identify how a formal alliance** (joint programming, administrative consolidation, joint ventures, etc.) **may be of benefit.**

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Planning Processes

- Planning Stages
- Considerations
- Communications

The illustration shows a large, glowing yellow lightbulb. Inside the lightbulb, several interlocking gears are visible, each with a different business icon (dollar sign, bar chart, gear, shield with plus, etc.). Two business figures are working on the lightbulb: one is on a ladder on the left, and the other is on the right, holding a gear. The background is a light gray.

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Planning Considerations

- ☐ Project Management/Facilitation
 - ☐ Who to Involve e.g. create Task Force
 - ☐ Legal Consult
 - ☐ Identifying Desired Outcomes
 - ☐ Mission, Vision and Culture Alignment
- ☐ Conduct Due Diligence e.g., HR, financial, culture, operational systems, etc.
 - ☐ Learn from Others
 - ☐ Create MOU
 - ☐ Develop Evaluation Framework



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Framework for Communications & Messaging



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Breakout Exercise



- In your group, **review the scenario** provided.
- Identify what the **Strategic Drivers** for a formal alliance might be?
- **Discuss** whether some form of Formal Alliance may be appropriate to explore e.g., joint programming, administrative consolidation, joint venture, etc.
- **Select an option and record your rationale**
- **Identify the potential pros and cons/barriers**
- **Present back to the larger group** your recommendation and rationale.

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Scenario 1



- 1 large agency, 1 small agency
- The **small agency** provides a unique service, working with individuals with addictions. They receive some funding from Alberta Health Services but most of their funding comes from private donors.
- The **large agency** provides a broad range of mental health services. Their demand for services is shifting towards an increasing need for addiction services. The large agency is primarily funded by the government.
- Both agencies are stable both financially and in their leadership.

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Scenario 2



- 2 medium sized agencies
- **Agency A** has had turnover in leadership multiple times over the years and is struggling financially due to some mismanagement. The Board is primarily made up of the original founders of the agency.
- **Agency B** has had stable leadership and finances for years and has strong financial practices in place. They provide different services than Agency A, but the two agencies share many of their clients, with individuals' accessing services from both agencies. Agency B's strategic plan has identified growth as a desired outcome.

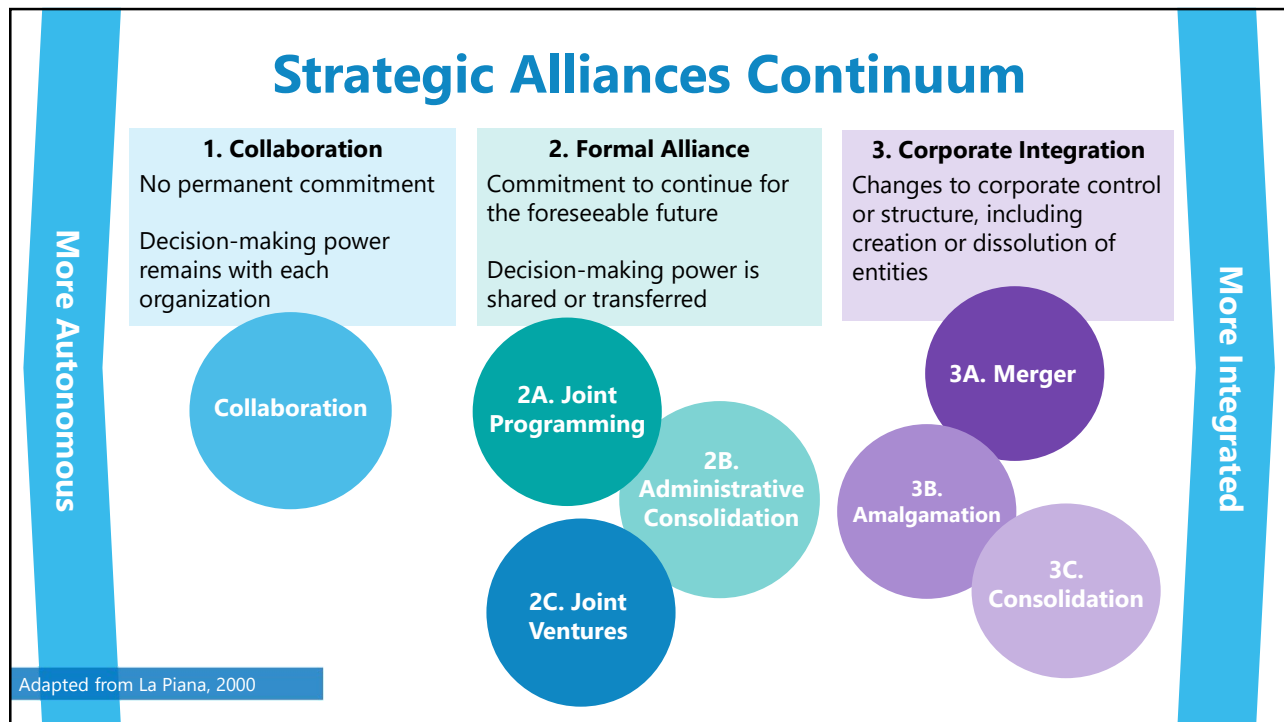
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Scenario 3

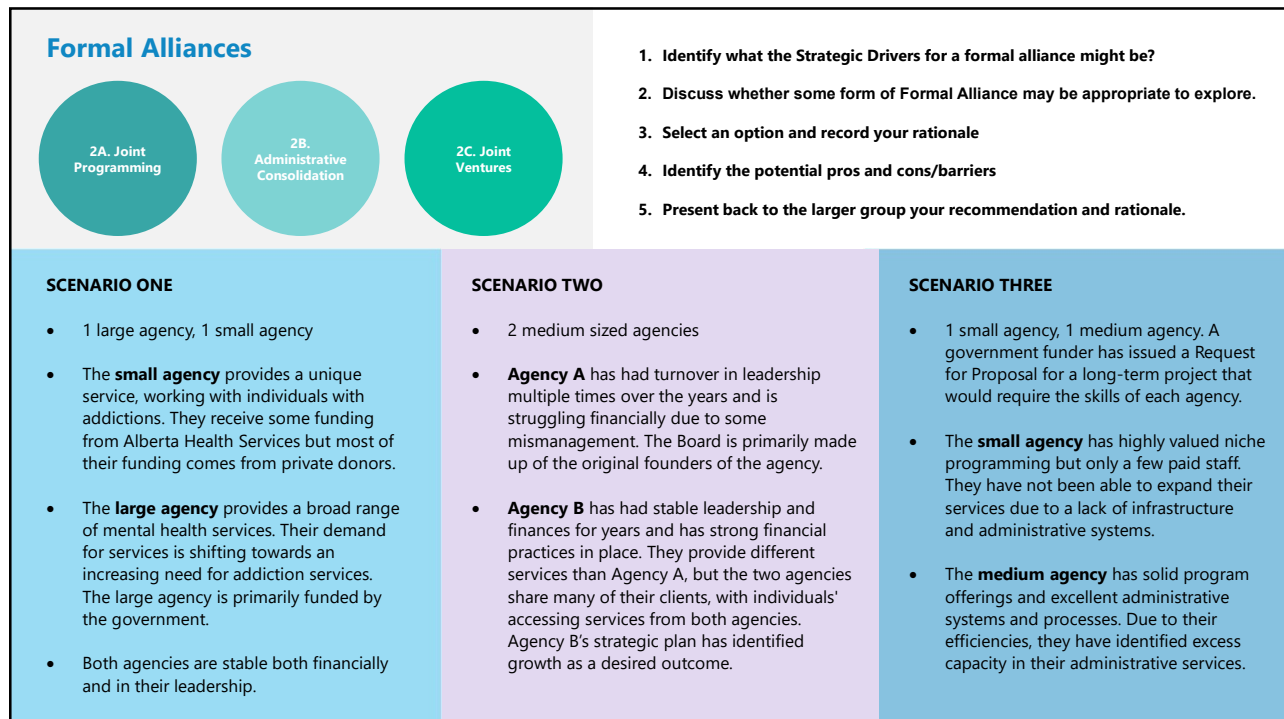


- 1 small agency, 1 medium agency. A government funder has issued a Request for Proposal for a long-term project that would require the skills of each agency.
- The **small agency** has highly valued niche programming but only a few paid staff. They have not been able to expand their services due to a lack of infrastructure and administrative systems.
- The **medium agency** has solid program offerings and excellent administrative systems and processes. Due to their efficiencies, they have identified excess capacity in their administrative services.

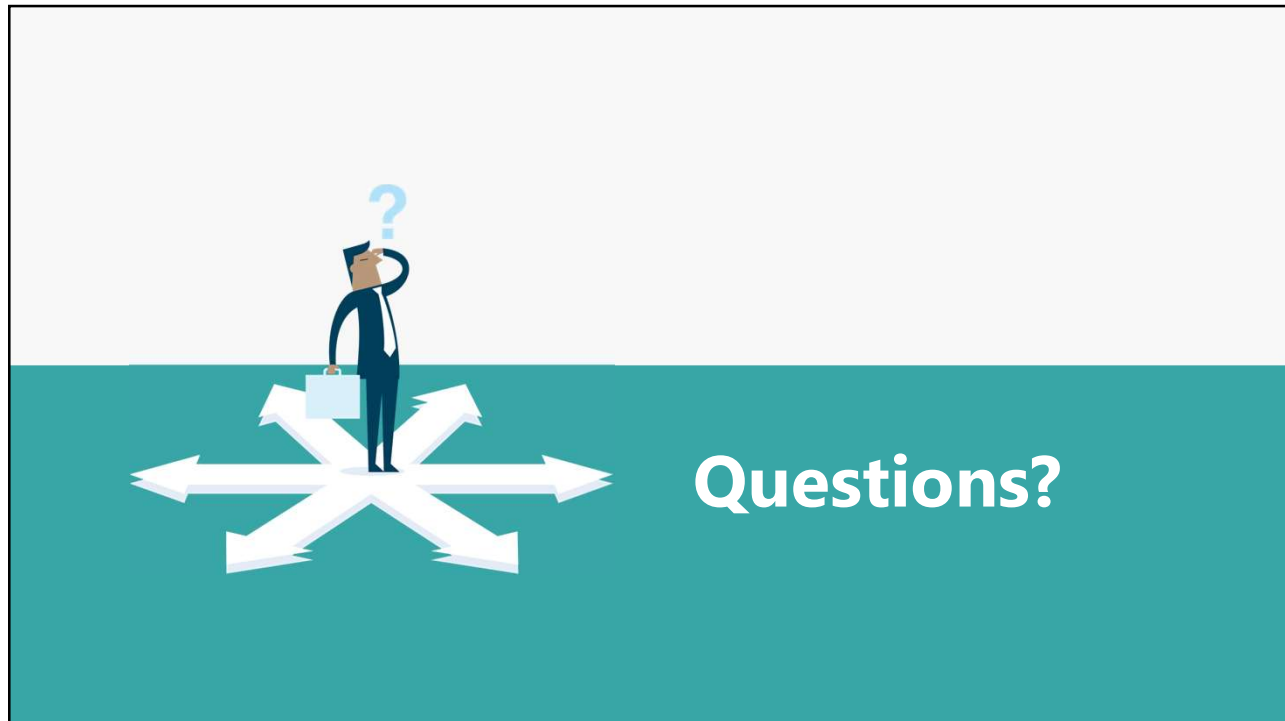
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References

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- Yvonne Chenier, IntegralOrg Blog, *Getting Together: What Alberta Nonprofits Need to Know About the Legal Aspects of Amalgamation, Merger, and Consolidation*, June 29, 2021
- The Muttart Foundation, Miller Thomson LLP, *Paths Forward in Financially Troubled Times. A Restructuring and Insolvency Guidebook for Charities and Non-profit Organizations*, December 11, 2020.
- David La Piana and Robert Harrington, *The Nonprofit Mergers Workbook Part I: The Leader's Guide to Considering, Negotiating, and Executing a Merger*, 2000.
- Thomas A. McLaughlin, *Nonprofit Mergers and Alliances*, 1998.

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Thank you for attending!

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Register at integralorg.ca



Please complete our evaluation survey!

Your feedback will inform the delivery of our future training opportunities!

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When you have questions, IntegralOrg has services to help

**A virtual or phone conversation
or**

A clinic, a 1-hour problem-solving session between IntegralOrg subject matter experts and your team.

You might have questions about

- Attaining charitable status
- Strategic planning
- Policies & bylaws (writing and review)
- Social enterprise legal structures
- Governance and board development

These services are free of charge!

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Organizational Development with IntegralOrg

If you have a need for in-depth solutions, IntegralOrg will work alongside you.

Strategic Planning

Strategic Alliance Facilitation

Governance Review

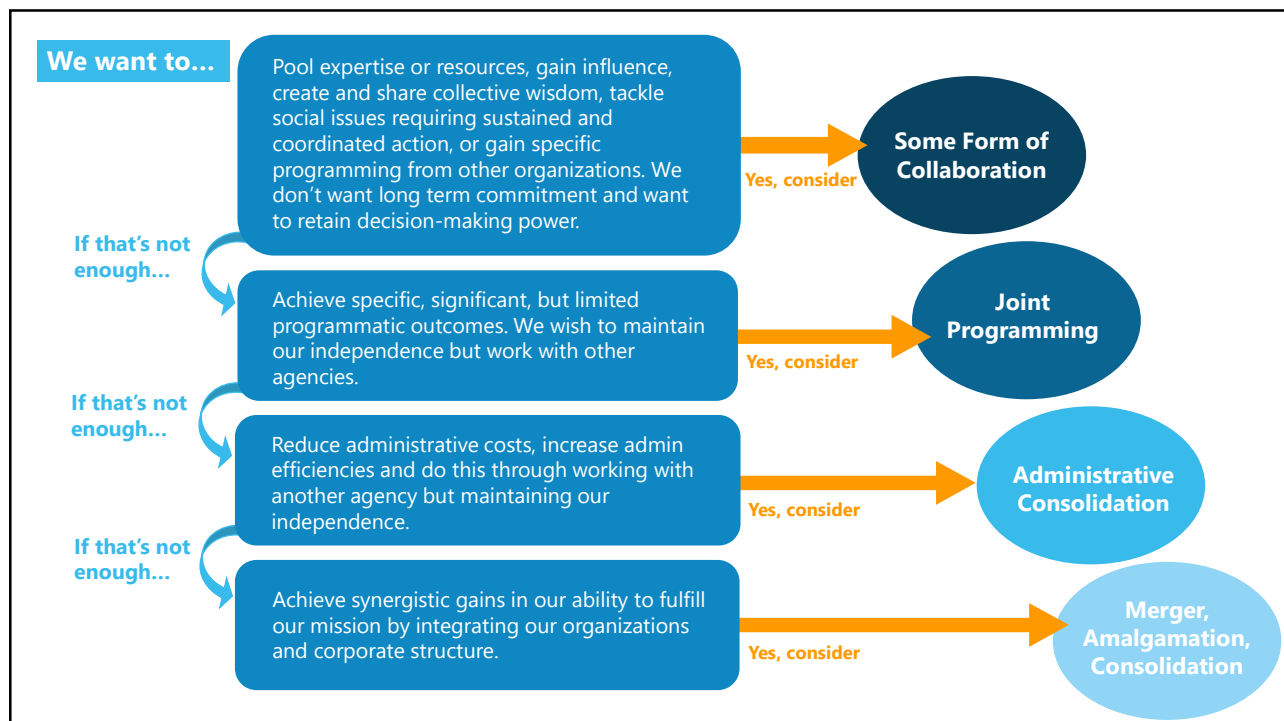
Board Evaluation Survey

Board Education Session

Interested organizations can email or call us!
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Potential Barriers & How to Overcome Them



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*Thank you all for your
time, trust, and engagement
with us today.*

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Phases of Planning

Phase 2: Commitment/Assessment

- In-depth planning to develop the future model.
- Creating the “How” – how it will occur e.g., how will funds move between agencies, what financial system will be used, how will staff positions be impacted, what will the organization chart look like, etc.
- Includes development of a more formal communication plan both internally and externally
- Formal approval required (by Society typically) at end to continue.

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Exercise

In mixed groups, discuss and use sticky notes to capture...

- What areas / activities do you think might be better served through increased collaboration (voluntary, non-binding)?
- What areas / activities do you think might be better served through identifying 2-3 targeted areas of structured, on-going joint ventures?
- What activities might be better advanced through the creation of a limited scope, focused new entity?



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Phases of Planning

Phase 3: Integration/Implementation

The hard work of turning the **vision and plans** into **reality**!

This can take over a year due to financial requirements of transferring assets, dissolving entities, CRA approval, etc.



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Disclaimer

This webinar does not take into account the specific legal circumstances of your organization.

For legal information more tailored to your organization, please contact us to arrange a free **one-on-one legal clinic** at <https://integralorg.ca/one-on-one%20support/> where we can even review organization-specific information in advance to prepare to help you.

If your organization requires immediate legal advice, please contact a knowledgeable nonprofit/charity lawyer.



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Two of the best things that any participant at any level can bring to the process of merging or creating an alliance is a **high tolerance for ambiguity** and a **sense of humor** – and the sense of humor is optional.

The process is intrinsically confusing and often misleading, and its **complex, nonlinear nature** makes it hard for anyone to grasp it all.

Thomas McLaughlin, *Nonprofit Mergers and Alliances*, 1998

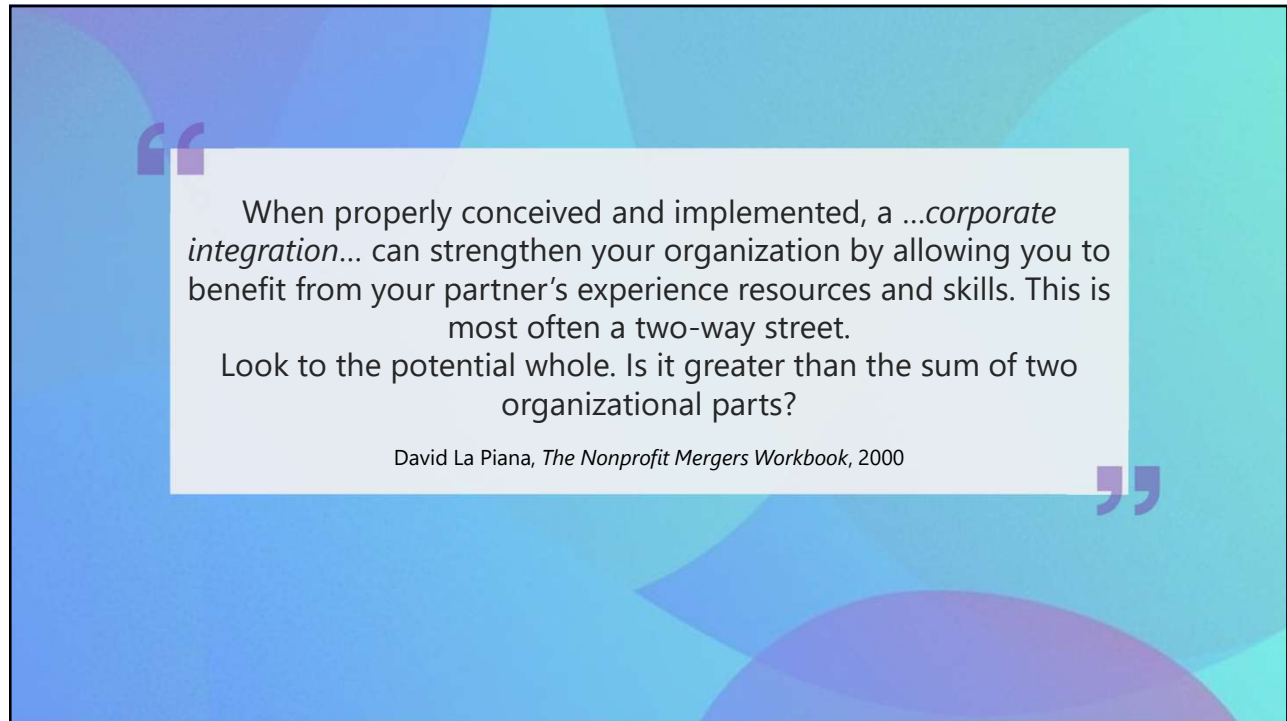
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What is Due Diligence?

The essence of the due diligence process is an effort to make everyone on the negotiations committee, and by extension everyone on each board, as aware as a prudent board member can be of any liabilities the other party may bring to the merger.

David La Piana, 2000

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Definitions

“ Two or more registered charities can join together as one body in response to changing circumstances or changed objectives. They can join through an amalgamation, merger, or consolidation. Although these terms are sometimes used interchangeably, there are important distinctions between them for charities.

We recognize that the Charities Directorate's use of these terms may differ from their meaning in other situations. For example, some provincial legislation may use the word “amalgamation” when referring to a situation that the Charities Directorate considers to be a merger or a consolidation.

”

Source: CRA, 2023

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Definitions

Amalgamation

Two or more organizations join together by bringing their assets, liabilities, and members into the new organization that they become. **The original organizations do not cease** to exist or dissolve, they simply flow into and continue to exist within the new amalgamated organization.

Merger

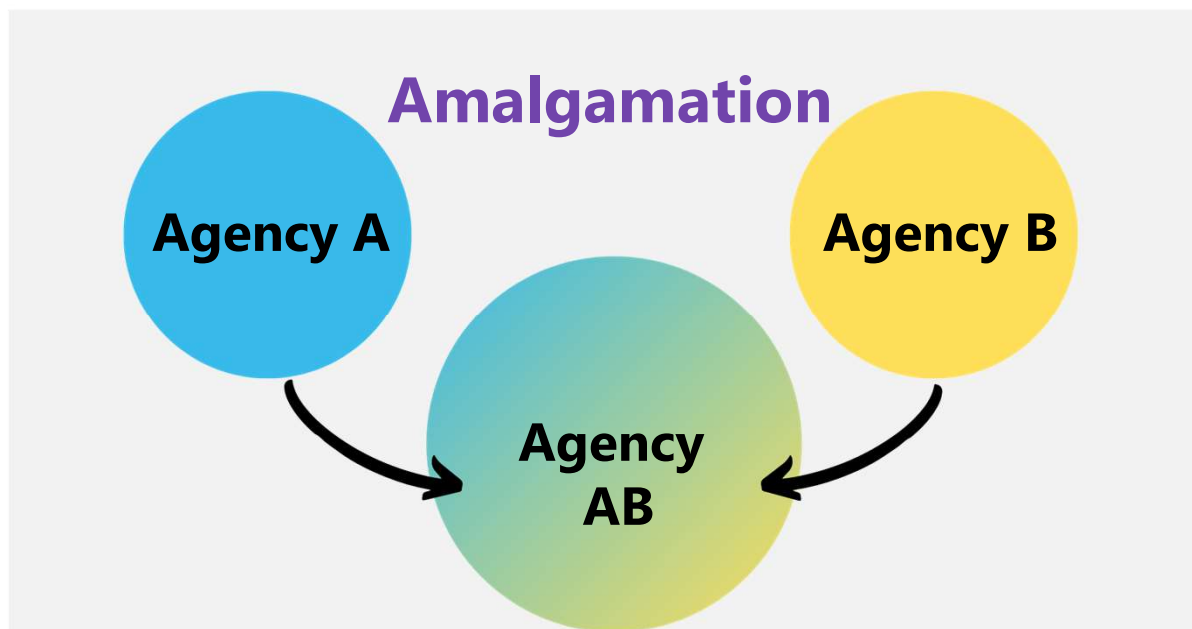
One organization winds up its affairs and transfers its assets to another already existing organization. **No new entity needs to be created, but the old one is dissolved.**

Consolidation

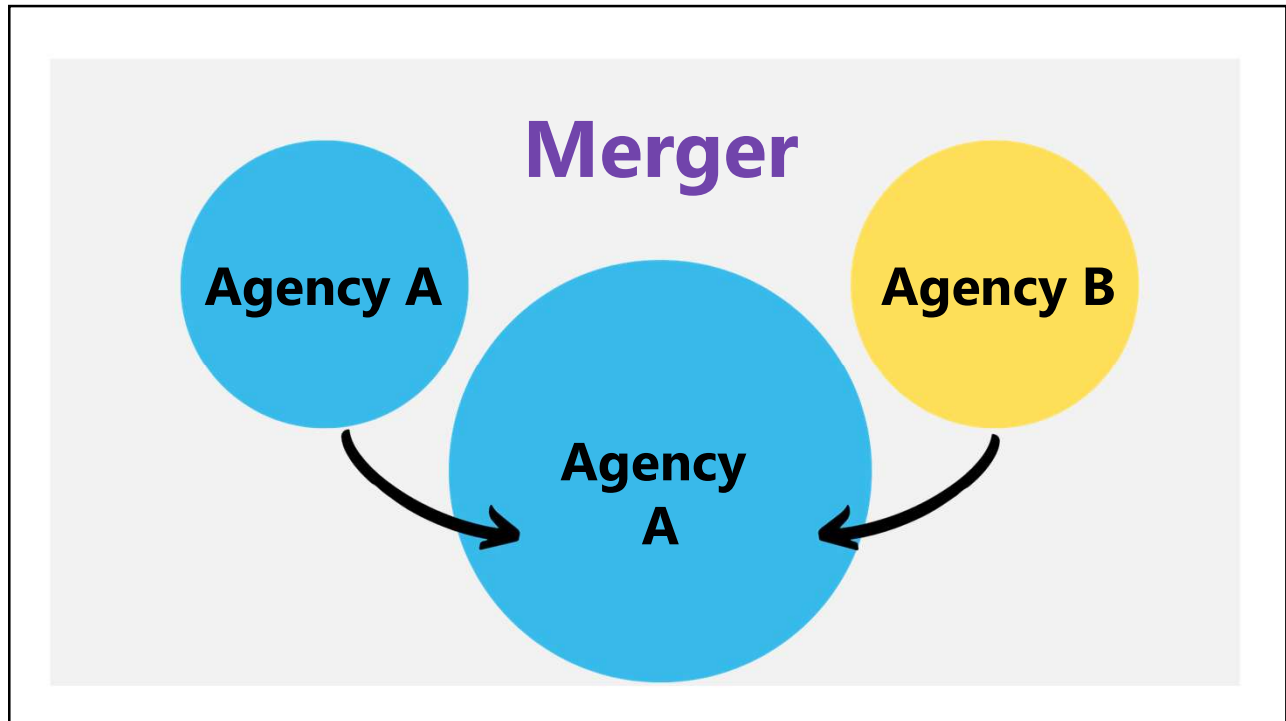
All organizations involved transfer assets to a newly created entity. This new forward-looking entity can be whatever the founding organizations agree it should be. The old organizations may dissolve or carry on some other way.

Source: IntegralOrg Blog; CRA, 2023

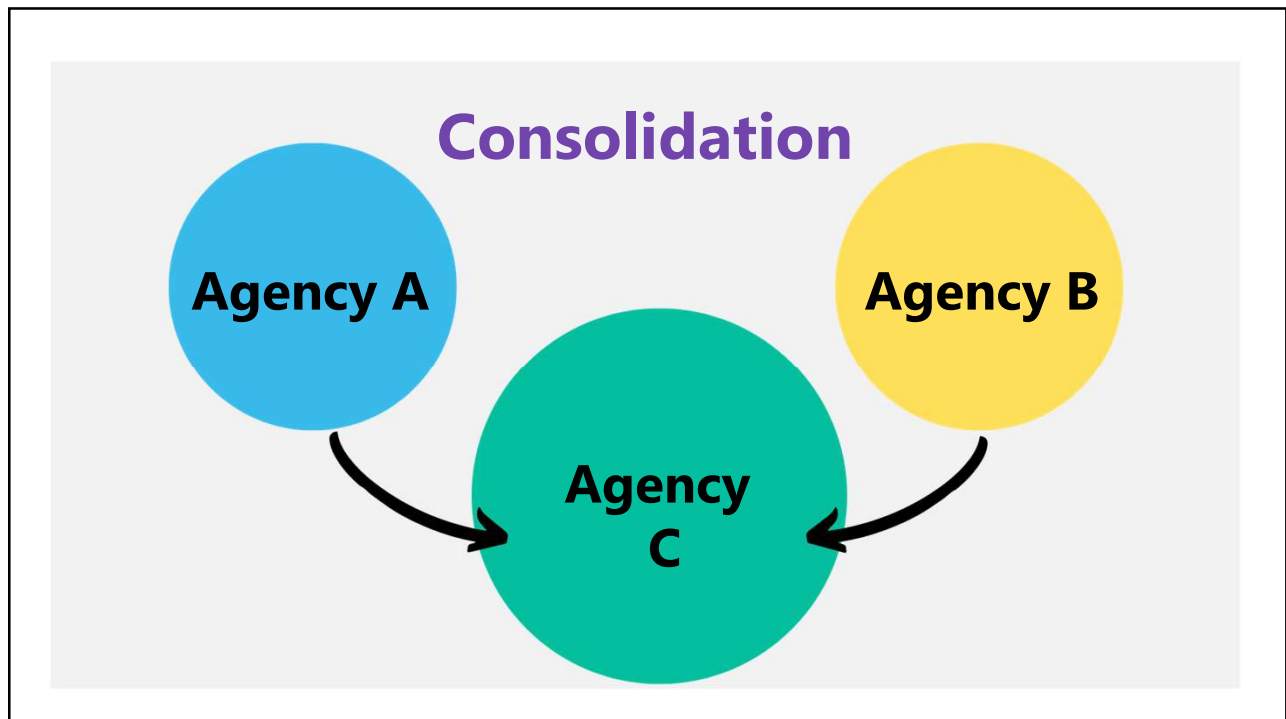
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Merger Example



Image Source: <https://www.habitatsouthernab.ca>



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Overcome complex problems by collaborating with a range of partners, either within or outside your subsector.

Coordinated action, joint advocacy, collaborative learning, or an expanded network are all powerful means of strengthening your organization's work.

David La Piana, *The Nonprofit Mergers Workbook*, 2000

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Scenario 1 (remove)



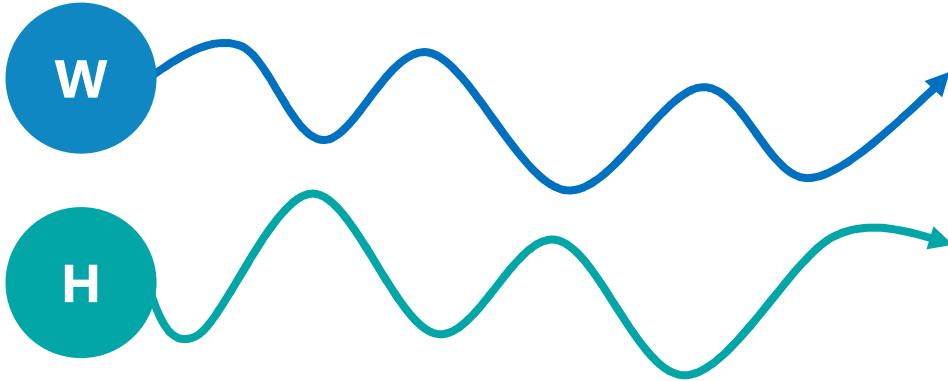
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A. Enhanced Collaboration(s)

No permanent commitment. Decision-making power remains with each organization. Focus on information sharing, program & process improvement. Varies according to organizational goals, capacity and function.

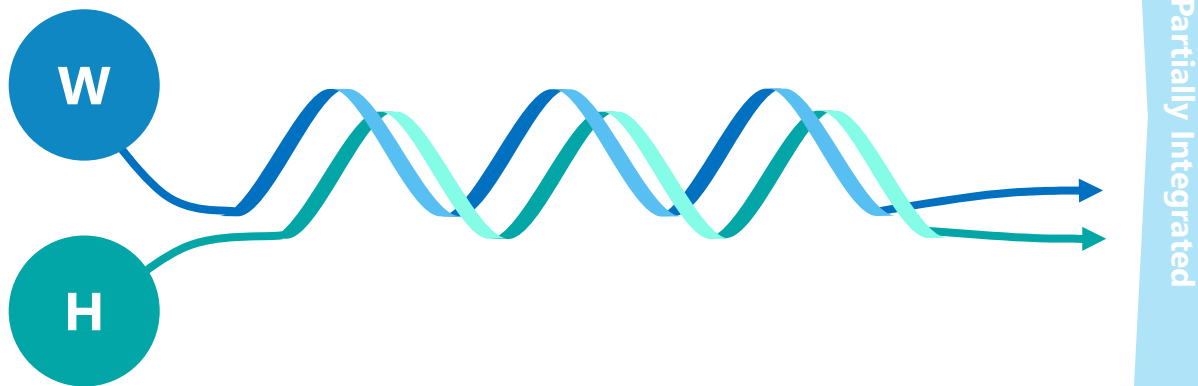
More Autonomous



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B. Formal Alliance

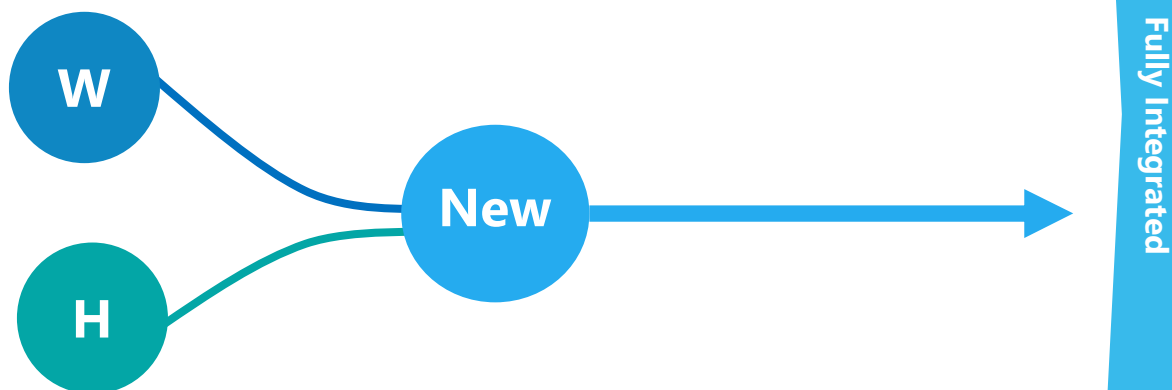
Commitment to continue for the foreseeable future under a formal agreement. Decision-making power is shared or transferred. Focus is on programmatic, administrative and financial interdependence.



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C. Corporate Integration

Changes to corporate control or structure, including creation or dissolution of entities. Focus is on the creation of a single, unified entity.



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Scenario 2 (remove)

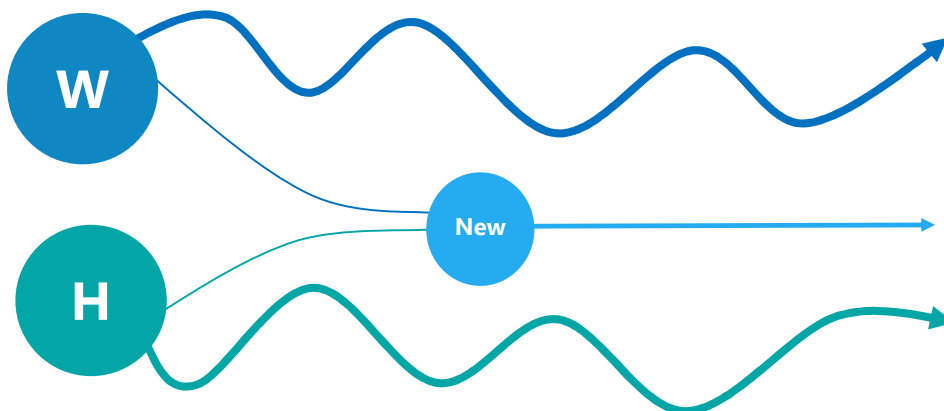


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- **Agency B** has had stable leadership and finances for years and has strong financial practices in place. They provide different services than Agency A but the two agencies share many of their clients, with these individuals accessing services from both agencies. Agency B's strategic plan has identified growth as a desired outcome.

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D. New Limited Scope Entity

No changes to overall corporate control or structures. Programs and administrative functions remain separate. Focus is on the creation of a new, jointly owned / governed entity to advance common goals which may include research, advocacy, innovation and external training.



Partially Integrated

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Due Diligence Review: Areas for Consideration

- Values and Culture
- Legal and Regulatory
- Governance
- Finances
- Fundraising
- Organizational Design
- Marketing and Communications

- Leadership
- Human Resources
- Programs and Service
- Brand
- Space
- Operational Systems

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