

Working Together

Appendix O

Creating A Joint Venture

Introduction

A joint venture is a formal arrangement between two or more organizations to deliver a program together. Joint ventures are becoming more common in the non-profit and community services sector as a way of collaborating, and bringing the diverse strengths of different organizations together to respond more effectively and efficiently to community needs and interests.

Memorandum Of Understanding

Joint ventures are created through a formal Memorandum of Understanding (MOU) between the participating organizations. The MOU describes:

- The goals or outcomes of the joint venture
- The core values or principles of the joint venture
- The respective roles and responsibilities of each participating organization
- The length of time of the agreement, and how it will be evaluated and renewed
- The structures and reporting relationships for staff who operate within the jointly run program
- Policies regarding annual program evaluation, accountability, risk management, and conflict resolution
- Agreements regarding funding.

Structure

Each joint venture will look different. But, a common model involves:

- Program staff, either hired directly by the joint venture or seconded by the participating organizations, reporting to:
- A program manager for the joint venture, reporting to:
- A joint venture steering committee with representation from the participating organizations, responsible for operating policies and on-going resolution of issues, reporting separately to:
- The Executive Directors and/or the Boards of the participating organizations.

Sometimes the joint venture is structured as a separate legal entity. At others, one of the participating organizations provides the necessary legal structures.

Process

If you decide you want to explore this approach as a way to initiate a new Big Brothers Big Sisters program or a new Boys and Girls Club, you might consider the following steps.

- Identify the potential participating organizations in the joint venture
- Bring people together to start a conversation
- Spend time first learning about each other's organization⁴
- If there a fit, and a belief that trust can be built, move further
- Spend time identifying the overall goals for the joint venture, but make sure that attention is also paid to the particular interests of each participating organization. Both are critical
- If the fit still seems strong, and trust is strengthening, begin to develop the MOU, spelling out the details of the formal arrangement and the joint venture.

⁴ For example: histories, missions, values, leadership styles, programs, revenues,

Two words of caution are in order.

First, this process can take some time. It is often best externally facilitated. But, done well it can create innovative and exciting results.

Second, many people in the non-profit community services sector have considerable experience with informal partnering relationships. Joint ventures are about more formal approaches. It is this formality that lets them survive and be sustainable.