

Business & Community Collaboration

A case study

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1.0 Project summary

Collaboration provides an opportunity for community organisations and businesses to share their expertise and visions to achieve their individual and shared objectives. This case study documents a collaborative project between a community organisation and a business, providing analysis of the process and recommendations to inform future practice.

According to Dr Louise Lee, from Massey University, community and business collaboration, or partnerships¹, can be defined as: “relationships existing between private business organisations and not-for-profit community organisations, formed largely to address common-interest social issues. These relationships engage the partners on an on-going basis and are often strongly project oriented.”²

In this project, a business and a community organisation collaborated to produce bags made from reused billboard material. This provided employment experience to a group of refugee women, supplied high quality sustainable products for the New Zealand market and generated an income for the collaborating parties. The relationship involved service delivery, with associated payment³.

It is well known within and outside the community sector that community organisations frequently face challenges in resourcing their work. Limited finances can restrict an organisation’s ability to access high quality expertise, and subsequently its ability to achieve its vision and operate at its full potential. Business and community collaboration can provide an opportunity for an organisation to access some of these expertise without the financial expense.

The business and community sector are often viewed as discrete entities, lacking in relationship to each other. When relationships exist, they are commonly a one-way philanthropic interaction in which the business donates money to the organisation for it to do its work. In the business and community collaboration model, the aim is for a reciprocal relationship between parties that provides opportunities for contributing to social and/or environmental improvement in ways that best use their skills and match their values and priorities.

Auckland City Council initiated this project to explore the opportunity of community organisations and businesses working together and to create a case study for other council staff, businesses and

¹ For the purposes of this case study, the terms collaboration and partnership are used interchangeably.

² Lee, L. (2007) Business community partnerships in New Zealand: Understanding experiences of partnership. p.3
http://www.fis.org.nz/pdfs/MediaReleases/Business_community_report.pdf

³ As well as the community and business collaboration aspect of this project, the organisation participated in a simultaneous project of developing a viable community enterprise. A community enterprise is a specific organisational economic model whereby a not-for-profit organisation generates an independent income to finance its community services. The case studies for these two topics have been separated for clarity of distinction. For a full picture, they can be read together.

organisations to use. In particular, Auckland City Council was interested in learning about the role of broker in this relationship. A gap in service provision was observed and the council wanted to explore the possibility of working in this position to support the capacity and connectedness of communities.

2.0 Stakeholders

The business

Paradigm is a registered company with a focus on public interest communication and design. The director and two staff work on a number of projects, mostly for organisations in the public and NGO sectors that share their values: “that we leave our world a better place for our having been there”. As well as its core services, the business operates some sideline initiatives: making products from previously used materials that would otherwise go to waste. These up-cycled products have been sold via websites and a small number of retail outlets.

Paradigm's product lines include bags made from used billboard material. The bags are of high quality and utility, suitable as a fashion item or a grocery bag, and are positioned at the affordable end of the retail market. Paradigm needed to find a new supplier to sew the bags to meet the growing demand. The business was interested in contracting a community organisation in New Zealand that would benefit from the opportunity of providing high quality, competitively priced sewing services.

The community organisation

New Zealand Somali Women Incorporated (NZSWI) is an incorporated society with charitable status that has been operating since 2001. The group supports women of all ethnicities (predominantly from countries in Africa, South Asia and the Middle East), a high proportion of whom are from refugee backgrounds. Many of the women experience barriers to their participation in New Zealand society and workforce, including having limited English, a lack of New Zealand work experience and the responsibility for large families (often as a sole parent). NZSWI offers a range of services and activities to encourage confidence, self-worth and the development of skills to assist in their settlement in New Zealand. Services include English language classes, health education and a playgroup promoting the Somali language. The organisation is run by volunteers and the only people paid are those contracted to deliver specific services such as the sewing teacher and playgroup coordinator.

Since 2007, the group has run a sewing school to build technical skills and work experience that can lead to paid employment. NZSWI successfully secured a building from which to run the classes, sewing machines and a professional sewing tutor. The women had begun to produce clothing that they were selling at low cost at a local market. The chairperson and other members were interested in developing a sewing business to provide an income for the women involved.

Enterprise participants

The enterprise participants were all women who had attended the NZSWI sewing course. NZSWI selected these women as participants for the pilot project due to their medium to high level sewing

skills and their commitment to securing employment. Their countries of origin were Somalia, Iraq, Pakistan and India, and the majority were unemployed sole parents. During the pilot project, participation was limited to six women with the aim to increase the number of participants with the growth of the enterprise. The individual women participating changed during the time due to their personal circumstances.



Enterprise participants

The broker

A community services adviser⁴ from Auckland City Council acted as the broker of the relationship between the business and community organisation. The role of the broker was to connect the business and community organisation, and to facilitate the development of their relationship⁵.

Supporters

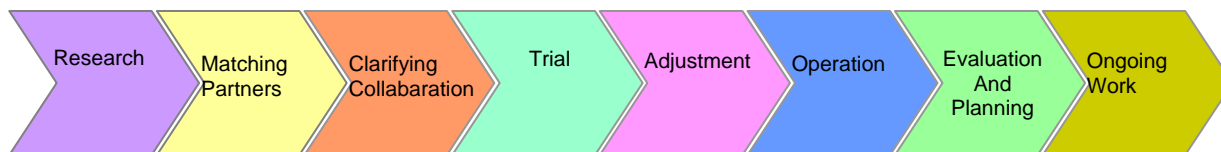
A number of other parties were involved in this project in a support capacity, providing advice and access to networks. A key supporter in this project was the business mentor, sourced through Leadership New Zealand, who worked alongside NZSWI to develop the enterprise. The role of the mentor is examined more thoroughly in the separate community enterprise case study.

⁴ Community services advisers work in a community development role with community organisations. The work involves ongoing capacity building and support in organisational development and funding as well as a variety of projects.

⁵ In this instance the community services adviser was also responsible for project management, evaluation and the development of case studies to inform community organisations, government and businesses.

3.0 Narrative

The project was an iterative cycle of action and reflection in which at times specific phases overlapped. The narrative below outlines the project and explains the project phases.



Research – month 1 (August)

The Auckland City Council community services adviser (broker) researched community and business collaboration through literature review and discussion with topic experts. She defined and developed the pilot project.

Matching partners – month 2 (September)

The broker approached a local business, *Paradigm*, that required products sewn and wanted to support a local organisation to do this work. The business described their vision and requirements and the broker created a partnership description. The broker then contacted two organisations that were possible matches. One of these organisations was *NZSWI*, that was interested in developing a sewing enterprise alongside their existing sewing classes. The match between *Paradigm* and *NZSWI* was made by mutual agreement of all parties involved.

Clarifying collaboration – month 3 (October)

The community organisation, business and broker met to discuss collaboration, specific roles and responsibilities, and the project plan. In this particular case, negotiation involved the specifics of production and payment for services. The broker facilitated this meeting and provided notes to the project partners.

Trial – month 4 (November)

The community organisation made product samples then conducted a two-week trial to ascertain the production rate. Following this initial trial, the business ordered a production run that the organisation carried out.

Adjustment – month 5 (December)

The project partners met, with the broker, to negotiate changes to the collaboration. These changes related to levels of commitment and dependency, and the timeframe for project development. Parties agreed to alterations to the initial agreement.

Operation – months 7-9 (February-April)

The organisation completed a further four weeks of production runs to meet orders for the business. The business designed new product lines that the organisation tested. The community organisation worked with supporters to develop their enterprise, including their business plan and a cost model for product lines.



Bags produced by the enterprise

Evaluation and planning – months 10-11 (May-June)

The business, organisation, broker and business mentor met to evaluate the project and plan for future collaboration. Discussion involved possible new forms to the collaboration including joint ventures (instead of a service/payment relationship) and a cooperative communications and marketing strategy. The parties negotiated a Memorandum of Understanding, which the broker drafted and parties agreed to.

Ongoing work – month 12 (July)

New production runs began of existing and new product ranges. Collaboration between parties continues through the project and plans for new initiatives.

4.0 Reflections

This project has provided a number of positive outcomes for the stakeholders involved:

- A collaborative relationship between a community organisation and a business
- The beginning of employment for enterprise participants, who had experienced structural unemployment
- Income generation for stakeholders
- Product design, development and production
- Plans for strengthened and continued partnership including a Memorandum of Understanding and plans for future collaborative ventures and cross-promotion in media
- A case study documenting the collaborative project and providing recommendations to community organisations and businesses.

In addition to these outcomes, this section provides a summary of the themes, challenges, strengths and learning of the project. Topics have been classified into thematic categories that at times overlap or are not discrete to themselves.

Innovation

A strength, challenge and reality of this project was its exploratory nature. It employed methods of social innovation, testing various methods and adjusting them to suit the context. The community organisation and the business needed to alter the form of their relationship and their venture due to the requirements of the other party and external forces. The process was challenging at times but there has been significant learning and the development of a robust relationship.



Enterprise participants with the finished product

Multiple stakeholders

There were a large number of stakeholders involved both directly and indirectly in this project. Each party brought with them their expertise, experience, expectations and priorities. The different stakeholders gave the project its strength and diversity. It also led to challenges in communication, extended timeframes and the need for compromise.

Information was conveyed frequently through a chain of people rather than all parties directly with one another. This meant at times not all people had accurate or up-to-date information on the project and the perspectives and actions of the other parties. At times this caused confusion and mistrust between parties. The larger meetings between key stakeholders, such the business with the community organisation and the business mentor, were integral to ensuring effective

communication and understanding between all parties and subsequently the success of the relationship and project.

Cross-cultural discourse

This project had a strong element of cross-cultural discourse, between Pakeha New Zealand culture (of the business, the broker and the mentor for example) and the cultures of the women in NZSWI (from a range of countries in Africa, South Asia and the Middle East). Factors also needed to be taken into consideration related to religion (eg holidays), gender roles and preferred forms and processes of communication.



Enterprise Participants cutting fabric

At times language comprehension and different customs around communication provided some challenges in this project. There were occasions in which parties had different understandings of what had been agreed upon and this led to mistakes. The women involved in NZSWI and the other stakeholders involved in the project needed to ensure that ideas and decisions were communicated clearly and appropriately so that all parties understood and were in agreement.

Business and community cultures and priorities

Differences were also apparent between the community organisation and the business in terms of experience, priorities and access to resources.



Enterprise participants in the sewing workshop

The priorities for the community organisation were to provide work experience and regular secure employment for the enterprise participants and income for the organisation to continue its community work. The organisation was concerned with the needs of the participants such as childcare requirements and working appropriately with government income benefits with less interested in achieving maximum business profit.

The business was interested in using socially and environmentally ethical means to create sustainable products to a secure market. It also wanted to ensure a low enough production rate to be able to sell the product at an accessible and competitive price, and make a profit.

The different experiences and abilities of the people involved in the community organisation and business were both valid and distinct. For example, staff at Paradigm are skilled at running an ethical business and working with non government organisations, but are unlikely to have experience supporting refugee settlement; and while the chairperson at NZSWI was proficient at filling out grant applications, she had no experience in writing tax invoices. In this particular situation, a business mentor was a key participant, who helped to build the capacity of the community organisation.

Capacity

A key learning in this project was the importance of the capacity of both partners to participate effectively in the collaboration. Both parties experienced challenges in terms of the amount of resources (time and funds) they had available to commit to developing and delivering the project and maintaining existing work.

This project faced some challenges in establishment due to a lack of readiness and planning within and between parties. Initial time pressures on product orders meant a large number of actions needed to occur simultaneously in a short period. Investing the time to meet to discuss and adapt the venture was also important. Parties were all busy and face to face meetings were infrequent. However, these were central to successful collaboration.

Both the community organisation and the business were involved in a number of projects and needed to ensure that this new collaborative project did not negatively affect their existing relationships, commitments and abilities to deliver core services.

Paradigm is a small business with limited working capital and as result, they were restricted in their capacity to develop product for stock without confirmed purchase orders from buyers. They were reluctant to commit to any regular purchasing agreement with NZSWI that could risk their financial wellbeing.

The resources of NZSWI were further limited. The organisation is run by volunteers and has a very low income generated from grants. Individuals, particularly the chairperson and treasurer, worked many hours on this project without funding. During these times, they incurred costs (eg petrol to drive to meetings) and had restricted ability to earn an income, as they were not available for paid work. The workshop that the women used had no telephone or computer and any use of mobile phones was at the personal cost of the volunteer.

Relationship definition and flexibility

The project benefited from the development of a strong relationship between the parties with clear and agreed roles and responsibilities. The relationship worked on a basis of trust and flexibility, and recognition of best intent.

The service/payment relationship brought with it dynamics of power and dependence related to timeframes, specific work outputs and finances. These needed to be negotiated between the parties. While each party was committed to collaborating with each other, it was important that they were not dependent solely on each other for financial sustainability. The parties initially agreed to enter into a contract for regular guaranteed demand and supply of products. However, Paradigm revised this decision as it posed too greater financial risk for it to take on. This lack of guaranteed work became a challenge for the organisation that had relied on this regular work for income. It was necessary for both parties to be cognisant and accommodating of the priorities and limitations of the other party.

The role of the broker also needs to be understood by all parties. In this particular project, the broker also acted in a capacity-building role for the community organisation, in its establishment of a community enterprise. This role may be better suited to an outside party. This capacity-building work is discussed in the Community Enterprise case study.

5.0 Analysis of broker role

The broker role is an important one in relationship development between a business and a community group. This role should be held by an external party that has the capacity to support the relationship development between project partners. Responsibilities and characteristics of the role may be to:

- Select, match and introduce parties to each other
- Facilitate discussion and agreement on the nature of the relationship, the vision and objectives, key roles and responsibilities of parties
- Provide necessary information, tools and templates to facilitate the relationship. These could include a draft Memorandum of understanding, external support contacts (such as mentors), factsheets on collaboration and guiding questions or a checklist for establishing the relationship
- Document meetings and agreements
- Play a neutral role ensuring that parties are comfortable with the relationship, it meets their requirements and that they have the capacity to engage with each other.(If not, an external party such as a mentor may need to be brought in)
- Ensure that communication and a direct relationship is developed quickly between the parties involved and that the broker does not remain in any mediating position between the two parties
- Provide evaluation and monitoring support.

6.0 Recommendations

Planning

Individual parties should spend a considerable amount of time separately, prior to beginning a partnership, planning for collaboration. This includes building organisational capacity, deciding what outcomes they would like to achieve, the roles and responsibilities they are willing to commit to and the kind of partnership they want.

Agreed relationship and vision

Comprehensive discussion is necessary between parties at the beginning to negotiate the terms of the relationship. This ensures that parties have the same understanding of their roles, commitments, terms etc. This relationship and vision needs to be reviewed as the project progresses, taking into account developments. A Memorandum of Understanding is a useful way of documenting this agreement and a good basis for being able to communicate the relationship to outside parties.

Capacity

Both parties need to have the capacity to collaborate. This includes having the necessary expertise, time and financial security to engage in the project. Where there is not a direct match in the capacity between the community organisation and the business then outside support, such as a business mentor, may be useful.

Communication

Both parties should be willing to invest the time and energy into communication with the other party in ways that are appropriate to the other party. Community organisations and businesses have different languages and priorities and these need to be discussed and understood. Regular face-to-face meetings, with all key stakeholders, are highly recommended.

Trust and flexibility

The parties need to work together cooperatively and flexibly. Recognition of shared goals and best intent are key to success.

7.0 Appendices

7.1 Project partners and supporters

The following organisations have been directly involved in this project and/or provided advice and support:

- NZ Somali Women Incorporated
- Paradigm
- Auckland City Council
- Leadership New Zealand
- Sustainable Business Network

7.2 Evaluations from stakeholders

Evaluation from Paradigm (business partner)

How would you describe this project?

A co-operative venture intended to provide sewing employment to a refugee group of women, and access to a low cost sewing workshop for Paradigm's billboard bags, and other products that may be developed from the same materials.

What have been the successes?

We are working together reasonably successfully after a long lead time and somewhat shaky start. The women's sewing skills have improved dramatically so quality is now very good. Production times have improved as well.

What have been the challenges?

Understanding each other's needs at the start. Some language difficulties to start with. Managing expectations, eg. one job cannot sustain the entire workshop.

Keeping the cost of sewing to a viable level for the price bracket the bags retail in. Allowing for an intermittent supply chain for both parties, ie. women have family and child obligations that can interfere with supply deadlines, Paradigm cannot supply billboards for instant delivery.

What have you learned?

To be more flexible and not assume it can operate as a simple business transaction.

The necessity to manage expectations so our clients for instance understand this is not a simple commercial operation (same as above).

That Somali women are energetic and enterprising, and keen to support themselves as productive members of the community.

Where to from here ?

We would like to market the bags much more widely to provide a more consistent resource for the sewing workshop.

We want to develop other billboard-based bag models and products - both to use the waste up and to provide more work for the sewers.

Design other items from the waste stream that may be suitable for workshop production, eg. stuffed toys from material scraps, cushions...

What have you thought of the role of Auckland City Council in this project?

Auckland City Council has been very supportive and positive, without which the project simply could not have started, nor continued.

Evaluation from NZ Somali Women Incorporated (community organisation partner)

How would you describe this project?

We, the ladies, made the billboard bags. Then the company takes the bags and the ladies benefit from a small amount of money. Also, the ladies got experience with up-skilling in their sewing activities.

The reason for doing the project was the ladies getting some professional skills. It also benefits the community because the ladies stop being beneficiaries and some communities get positive things.

What have been the successes?

I would describe this project as successful because we got some connection with the company and we started a small business. We got a good relationship with Paradigm, working together to get our goal for the future and to be a successful project.

What have been the challenges?

It is hard when you start, how to organise. Also it is hard to make something new to you – learning to make the bags.

It is a challenge at first to get to know a new company, how to make the bags for the price, delivering the material and the bags – the business relationship. It is a challenge to work with a company, to know their system, to get experience of their system.

What have you learned?

I learned how to deal with the company for example negotiating on prices. I also learned how to create a business plan.

Where to from here?

Next thing to do is to do different types of products – bags. We also need to relate to the market – making products that are successful in the market.

What have you thought of the role of Auckland City Council in this project?

The role of the Auckland City Council is the one that organised the project and made the connection with the company because we didn't know Paradigm.

Also the Auckland Council take a good part of how to make the project successful for example, advice, making network/connection with the company, organising the meetings, making plans how to create the products, making more relationship between Paradigm and NZSWI.

Evaluation from business mentor

How would you describe this project?

I would describe this project as a grass-roots, visionary exercise that sought to bring together the social and commercial worlds in a facilitated manner to provide medium-term social change for a specific section of the community in such a way that it would be self-sustaining from a commercial, environmental and social perspective. It has been an exciting opportunity to work within a space that has as its goal self-reliance rather than dependence.

What have been the successes?

The major success I would recognise is the alignment of all the various stakeholders to progress towards the outcome. I don't think it would be possible to select a more diverse group if we tried, however all parties worked very well to broker the challenges of culture, language and expectation that we were confronted with. Although we have been unsuccessful to date in getting the venture sustainably off the ground, the reality is that NZ Somali Women have a higher profile, have greater capacity and in my view a much better possibility of realising their visions than they had prior to this project commencing.

What have been the challenges?

The main challenge has been funding and certainty of this to get operations of the ground. Insufficient funds have prevented us from bringing in the necessary business development and

administrative structures in place. Language has been a little bit challenging, but in the scheme of things, it has been overcome pretty well.

Linked to the funding challenge has been expectation management of the women within NZ Somali Women in terms of the ability to get a business off the ground and provide them a steady income stream.

What have you learned?

Heaps. About the challenges in the not for profit sector, about the challenges of refugees settling in NZ, about the unnavigable compliance regime we have to operate under, about the disconnected bits of central government (which agency to deal with) and about the bits of the Council not involved in rubbish collection and parking wardens. Just a heap.

Where to from here?

My intention is to continue to work alongside NZ Somali Women to keep trying to advance their vision. Just because we have struggled to get funding to date, doesn't mean we will never get it. Keeping the business model flexible enough to secure opportunities as they may present themselves is key.

What have you thought of the role of Auckland City Council in this project?

God-like. No Auckland City Council, no project. Quite simple. Eva's commitment, passion, tenacity and pleasant manner has underpinned this project from start to finish. The challenge for Auckland City Council is whether a project can be repeated without someone like Eva. It isn't a role that has done this – it is a person.

Other comments

My personal view is that these sorts of initiatives are vital to the wellbeing, evolution and regeneration of many of the minority or underachieving segments within the wider NZ community. Big brother state funding and operation cannot be as effective as a very local and focused initiative such as this.

7.3 Memorandum of Understanding

Memorandum of Understanding between New Zealand Somali Women Incorporated and Paradigm Associates Limited (“the Parties”)

Background

- A New Zealand Somali Women Incorporated (NZSWI) is an incorporated society with charitable status.
- B Paradigm Associates Limited (Paradigm) is a registered company.
- C NZSWI and Paradigm have agreed to work together to further their individual and collective aims, through the creation of environmentally sustainable products.

It is agreed as follows:

1. **Purpose:** The Parties agree to work together in a spirit of partnership, towards achieving their vision of environmental, economic, cultural and social justice and sustainability. This is expressed in sustainable products and ethical and empowering working conditions.
2. **Equitable partnership:** Parties recognise their different qualities and approaches and agree to work in a way that is beneficial to each other. This includes contributing their unique skills, clarifying roles and sharing work equitably.
3. **Communication:** The Parties agree to communicate with each other regularly, honestly, constructively, and in a way the other Party understands.
4. **Good practice:** Parties will respect each other’s enterprise needs. This includes providing adequate notice of changes to arrangements, prompt service and payment, and economical treatment of materials.
5. **Promotion:** Parties will promote the partnership and credit the other party but not represent them without prior permission. The Parties will keep each other informed of promotion.
6. **Credit:** Both Parties will be credited in products created. For example, both brands will be included on label – Salvage (Paradigm) and Hawo Tako (NZSWI).
7. **Non-exclusivity and independence:** Parties are free to enter into other partnerships and contracts and recognise that they will not be reliant on each other for financial viability.
8. **Intellectual Property:** Parties agree to respect each other’s and shared (if applicable) intellectual property and to clarify the IP related to new products created.
9. **Costs:** Parties will not be liable for any costs incurred by the other Party. Additional project-related costs, where possible, will be pre-agreed between the Parties.
10. **Project specifics:** Parties agree to negotiate the specifics of each project, concerning the production relationship and IP.
11. **Disputes:** The Parties agree to work to resolve disputes and difficulty by active, open and good faith discussion.
12. **Termination by notice:** Either party may terminate the Memorandum of Understanding (MoU) immediately by written notice.
13. **Review:** The Parties will meet to review the operation of this MoU six months after signing, and at least annually after that.
14. **Amendment:** This MoU may be amended at any time by agreement in writing between the Parties.
15. **Term:** This MoU commences on the date signed by both Parties and will continue until terminated in writing by either of the Parties. The terminating party will give as much notice as possible.

Signed on behalf of Paradigm by:

Signed on behalf of NZSWI by:

Name:

Name:

Position:

Position:

Signature:

Signature:

Date:

Date: