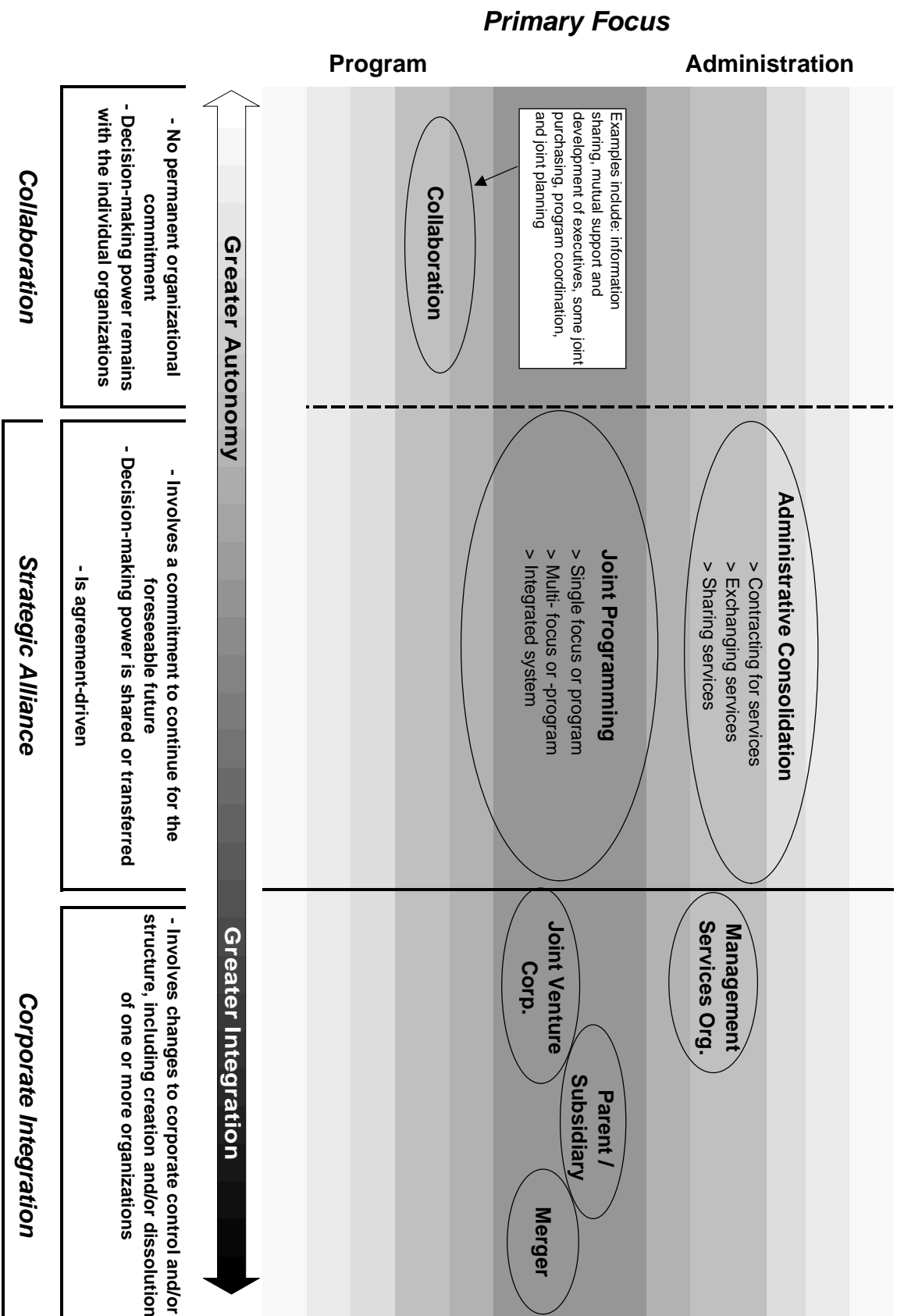


# The Partnership Matrix



## The Partnership Matrix\*

**Strategic restructuring** occurs when two or more independent organizations establish an ongoing relationship to increase the administrative efficiency and/or further the programmatic mission of one or more of the participating organizations through shared, transferred, or combined services, resources, or programs. Strategic restructuring ranges from jointly managed programs and consolidated administrative functions to full-scale mergers.

### Alliance

An alliance is a strategic restructuring that includes a commitment to continue, for the foreseeable future, shared or transferred decision-making power and some type of formal agreement. However, it does not involve any change to the corporate structure of the participating organizations.

- An **administrative consolidation** is a restructuring that includes the sharing, exchanging, or contracting of administrative functions to increase the administrative efficiency of one or more of the organizations.
- A **joint programming** is a restructuring that includes the joint launching and managing of one or more programs to further the programmatic mission of the participating organizations.

### Integration

An integration is a strategic restructuring that includes changes to corporate control and/or structure, including the creation and/or dissolution of one or more organizations.

- A **management service organization (MSO)** is an integration that includes the creation of a new organization in order to integrate administrative functions, and thus to increase the administrative efficiency of participating organizations.
- A **joint venture corporation** is an integration that includes the creation of a new organization to further a specific administrative or programmatic end of two or more organizations. Partner organizations share governance of the new organization.
- A **parent-subsidiary** structure is an integration that integrates some administrative functions and programmatic services. The goal is to increase the administrative efficiency and program quality of one or more organizations through the creation of a new organization(s) or designation of an existing organization(s) (parent) to oversee administrative functions and programmatic services of other organization(s) (subsidiary). Although the visibility and identity of the original organizations often remain intact in a parent-subsidiary relationship, some organizations involved in such restructurings consolidate to the point where they look and function much like a merged organization.
- A **merger** is an integration that includes the integration of all programmatic and administrative functions to increase the administrative efficiency and program quality of one or more organizations. Mergers occur when one or more organizations dissolve and become part of another organization's structure. The surviving organization may keep or change its name. A merger also occurs when two or more organizations dissolve and establish a new structure that includes some or all of the resources and programs of the original organizations.

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\*Taken from "Strategic Restructuring: Findings from a Study of Integrations and Alliances Among Nonprofit Social Service and Cultural Organizations in the United States" by Amelia Kohm, et al., June 2000.