

# P3s: Partnering for the Future

Corporate executives sitting on nonprofit boards might consider a new tool to sustain their organizations and local communities: the public-private partnership

by Cassandra Larsen



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## DON'T STIFLE P3 CREATIVITY

Experience has shown that the most successful P3s are created through a competitive process typically initiated by the public sector. The City of Phoenix for instance, when it issues a Request for Proposal (RFP) to address a project, program or desired outcome, has found it is best to specify less to potential private-sector partners. "The private sector is positioned to gauge current market conditions and pursue innovative strategies that push the envelope," says Phoenix's Deputy Economic Development Director Scott Summers. "The most successful partnerships acknowledge this strength and give only broad guidance as to how to achieve the goals set forth in the RFP, allowing for and encouraging creativity and market-based solutions."



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▶ *A \$600-million convention center expansion. Scientific, medical, research and educational collaborations in the heart of the city. A state-of-the-art automated Sky Train ...* Indeed, today's downtown Phoenix is markedly different from what it was even a decade earlier.

So how did this transformation take place in such a short span of time? It was due, in part, to public-private partnerships, known also as P3s. These contractual agreements are drafted between private-sector entities and public or government agencies (federal, state or local). And the city has engaged in them for years.

"These relationships allow for innovative collaborations to leverage public, private and nonprofit resources in ways that maximize the benefits to our city as a whole," says Scott Summers, Phoenix's deputy economic development director.

P3s are proving fruitful for additional Valley and statewide players, each agreeing to combine resources and expertise — and to share risk — in the pursuit of greater efficiency and extended reach.

"From a fiscal perspective, we are able to accomplish much more through collaboration than we ever could with only our own budget," says John Scola, CEO of Educare Arizona, one of several national early childhood education centers designed to serve underprivileged children, their families and neighbors within focused communities. Social services and language/literacy counseling are provided, as well as clinical services.

Scola's organization partnered with an Early Head Start provider, the Balsz School District, Scottsdale Healthcare and local anchor funders and foundations. Because Educare Arizona also serves as a professional training ground for early childhood educators, Arizona State University is a collaborator, providing undergraduate students with hands-on experience, master teachers and mentors.

Scola's financial concern is echoed by many nonprofit organizations that aim to solve societal problems with limited budgets. "Nonprofit leaders can find themselves spending most of their energy chasing dollars to keep their doors open instead of focusing on their bottom line — their mission," says Nancy Payne, a consulting director for the Dallas-based Center for Nonprofit Management. By partnering with corporations and government entities that share similar interests and philosophies, nonprofits can operate with greater financial efficiency and focus on what's important: serving their constituents.

"We benefit from private-public partnerships in so many ways," says Scola, "including the generation of new and fresh ideas from our partners. Those in the private sector often offer perspectives that are helpful to nonprofits, and vice versa."

"So often these partnerships are about aligning efforts to advance a cause in a way that would not happen otherwise," says Nicola Winkel, program consultant and community liaison for the Arizona Coalition for Military Families. Working with government agencies, community organizations, and medical, mental health and first-responder personnel, the Coalition aims to make critical resources more accessible to the military and veteran population. It also provides training and technical assistance to organizations and fosters cross-sector collaboration among military, government and community organizations.

"By bridging those two worlds — public and private — you can often accomplish much more than each organization or



## Ensuring P3 Success

What does it take to orchestrate an effective P3 collaboration? The first step is to pick your partners wisely. "You must engage key stakeholders in a way that advances their missions, as well as your own," says Nicola Winkel of the Arizona Coalition for Military Families. "Leaders who embrace the idea of collaboration, and organizations that can get beyond barriers like territorialism to focus on common ground, are all helpful elements to achieving success."

The public-private partnerships that often achieve greater success also adhere to P3 best practices. They:

- Create mutual trust between their public-private partners.
- Prioritize the issues facing the partnership.
- Resolve any conflicts of interest, including the organization's separate structures, stakeholder support or lack thereof, and/or other external challenges.

- Develop an understanding of, and support for, each other's broader mission and image.
- Focus on the ways in which collaboration will positively impact the lives of those served.
- Develop a plan and ensure the right people are in place to advance the effort.
- Identify a detailed revenue stream, as well as an outlay of expenses.

The most successful P3s also act with purpose. "Early on, we determined we would not meet for the sake of meeting," says Winkel. "The partnership and related activities must add value to the partner organizations or the effort most likely won't be sustainable."



sector working alone," says Winkel. One initiative of the Coalition, focused on supporting military/veteran families with young children, draws collaboration from the Arizona Departments of Education, Health, and Economic Security, as well as First Things First, Child Crisis Center and Southwest Human Development, a true multifaceted collaboration working toward shared goals.

### THINGS TO CONSIDER WHEN CONSIDERING P3s

For nonprofit board members who see promise in future P3 collaborations but aren't sure where to begin, Sumner suggests reaching out. "There is no harm in beginning discussions with your strategic partners. Reach out to other board members, government entities you interact with through grants and other public processes, and private businesses that you interact with on a regular basis. Building relationships and trust is key."

Another key is selecting the best and brightest staff to nurture and sustain the P3's collaborative efforts. Building strong relationships, maintaining continual communication and understanding where interests may or may not align are all crucial to the success of the P3. "The right staff can address these concerns in advance and can significantly improve the chances of success," says Sumner.

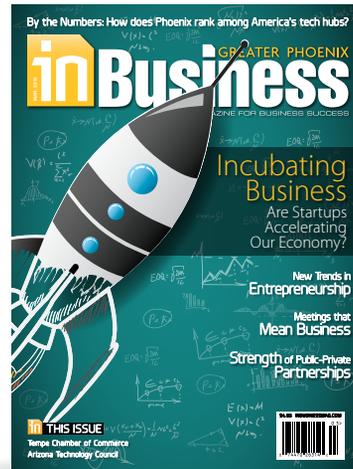
According to Winkel, financial and operational sustainability should also be top of mind when launching a P3. "You must know how your partnership will weather changes in leadership and finances, and with stakeholders and other factors within the systems you are engaging," she says. "It's very important that when public- and private-sector partners invest in these efforts, there is an eye toward the future and not just a focus on what's happening today."

### P3s — THE WAVE OF THE FUTURE

It's no secret that the public, private and nonprofit sectors have limited reach when acting independently. "They each specialize in accomplishing very specific and unique goals, and have difficulty stepping outside of these boundaries," says Sumner. "Through collaboration, however, each sector can leverage its resources and capitalize on each other's strengths to successfully address some of our state's most pressing needs."

Scola predicts that these types of collaborations will be the norm in the future. "And you don't want to be left behind," he says. ■

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