Building Strategic Partnerships and Collaborations in Hawai‘i

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Goal

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Partnerships: "The Issue Is Not Importance — It's Execution"

Agenda

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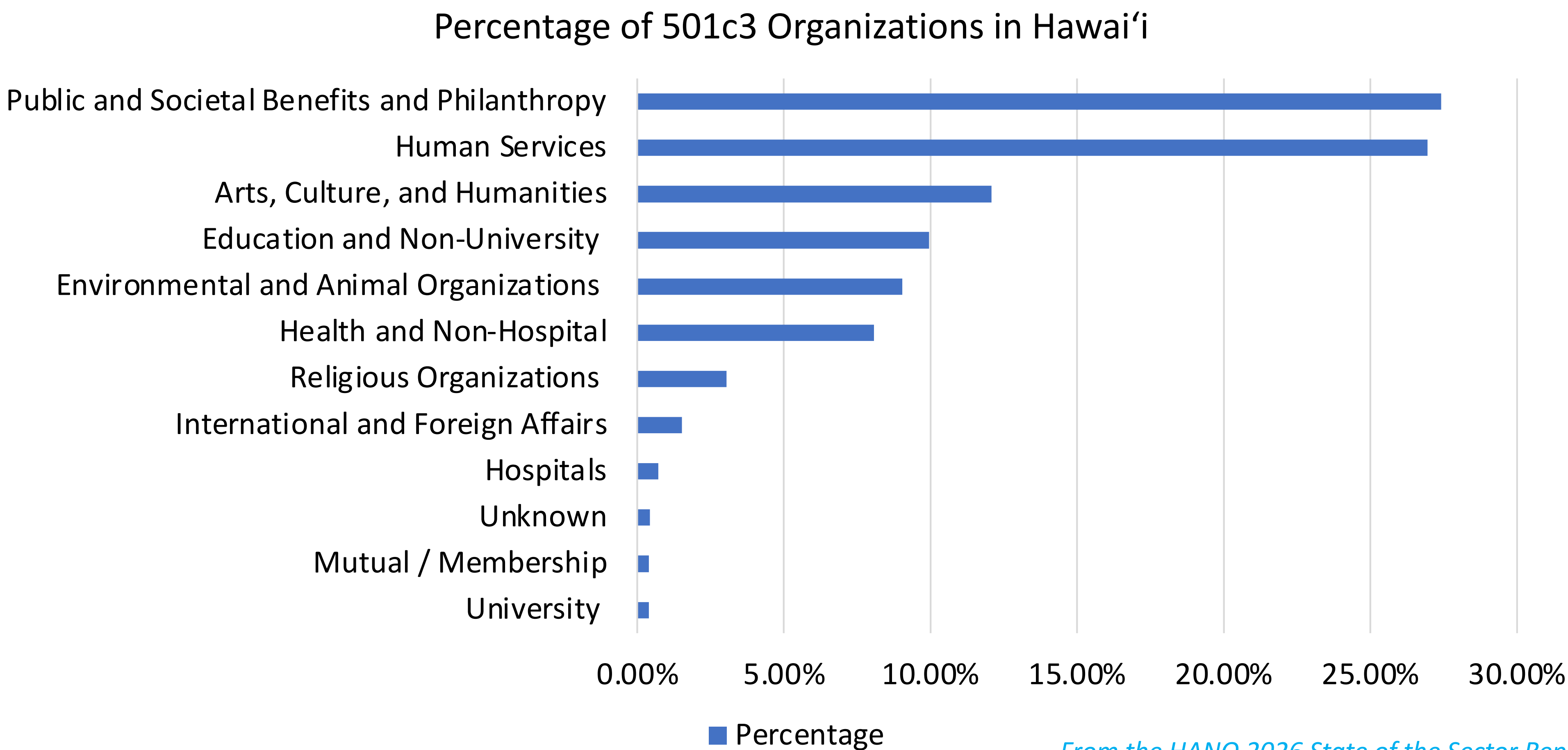
- The Nonprofit Landscape
- Meet the Partners: Formal and Informal Types
- Pitfalls: Where Partnerships Fall Apart
- Making it Work: Practical Tips
- Questions

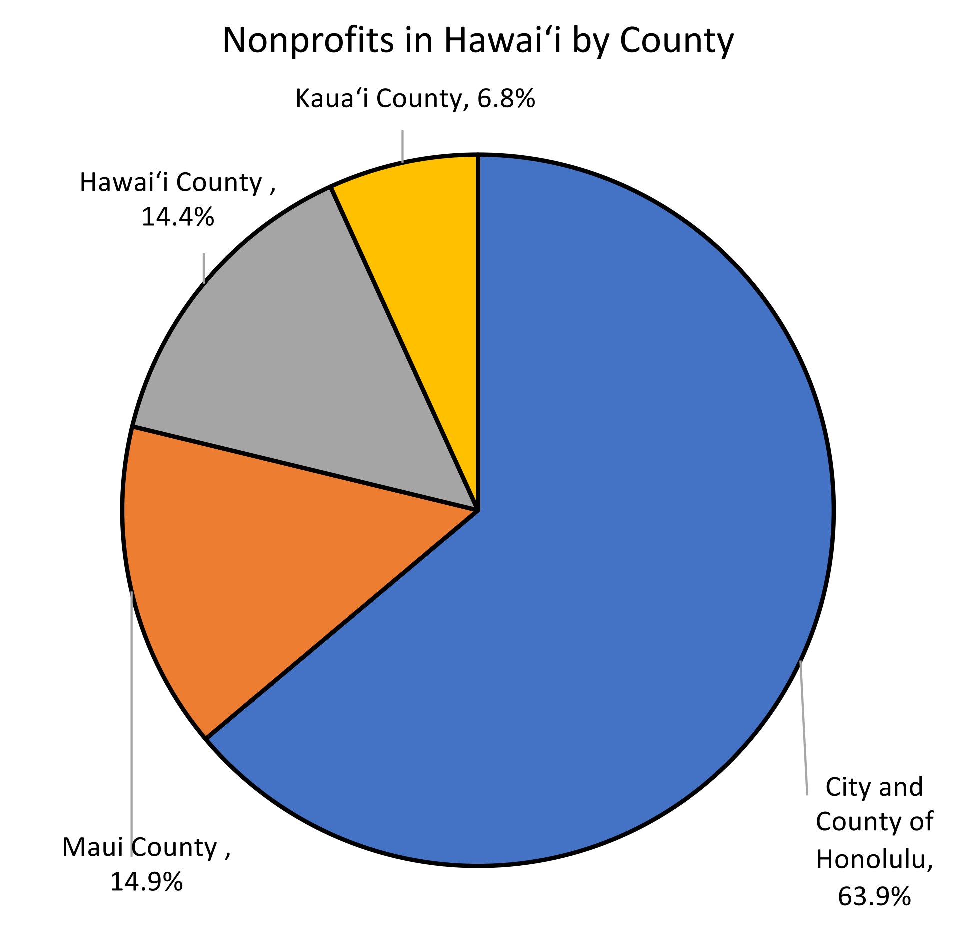
Nonprofit Landscape

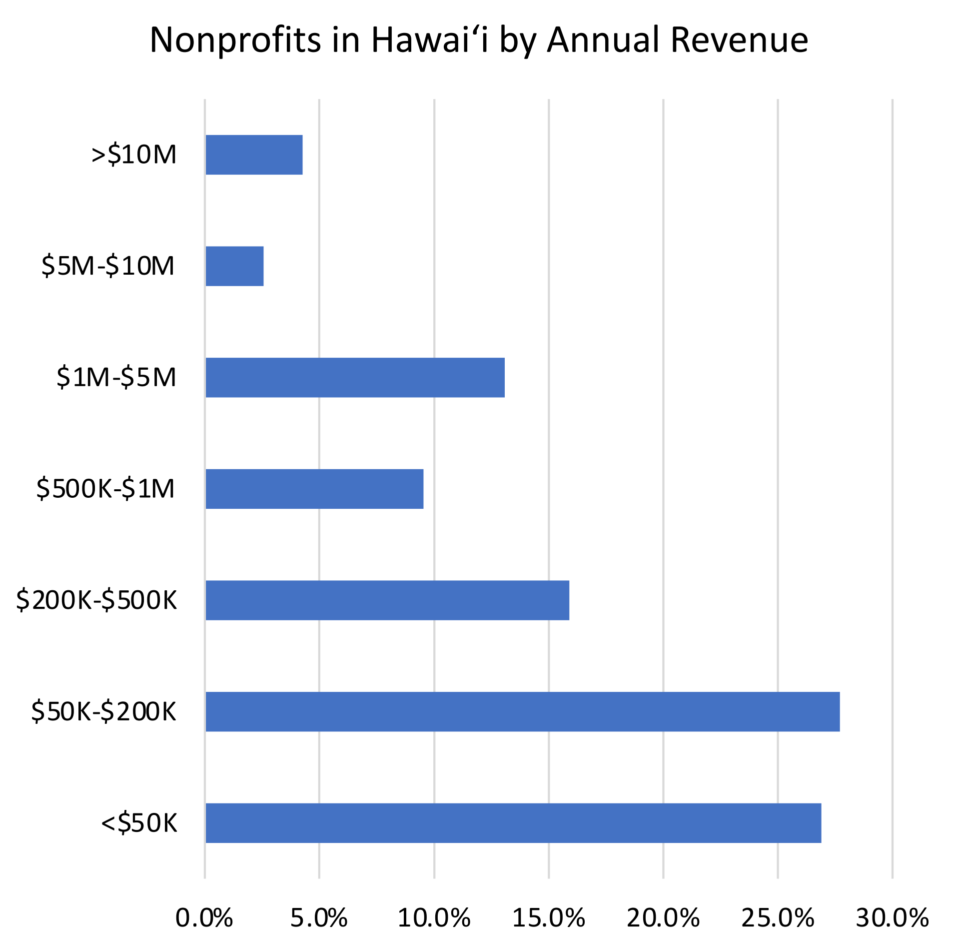
Hawaiʻi Nonprofits-By Area (8,037 in 2023 IRS Filing Year)



From the HANO 2026 State of the Sector Report

Hawaiʻi Nonprofits-By County and Revenue





From the HANO 2026 State of the Sector Report

Headwinds: Factors that create obstacles and make progress more difficult

Federal Policy Disruption

- Grant Freezes
- Government Shutdown
- Bans on language and DEIA
- Fed. Gov. Office Closures and Layoffs

State Government Disruption

- Stagnant and Under Funding
- State Ethics Concerns and Corruption

Workforce Crisis

- The Baby Boomer Exodus
- The Wage Gap and Burnout
- Continued Challenge in Finding Qualified Staff

Economic Pressures

- Tariffs
- Inflation

Capital & External Funding Squeeze

- Capital Constraints
- Cash Flow Concerns
- Philanthropic Pullback

Safety Net Changes

- Medicaid Cuts (OBBBA)
- Work Requirements
- Housing Crisis
- Economic Pressures For Clients
- Increased Acute Needs of Clients

External Shocks

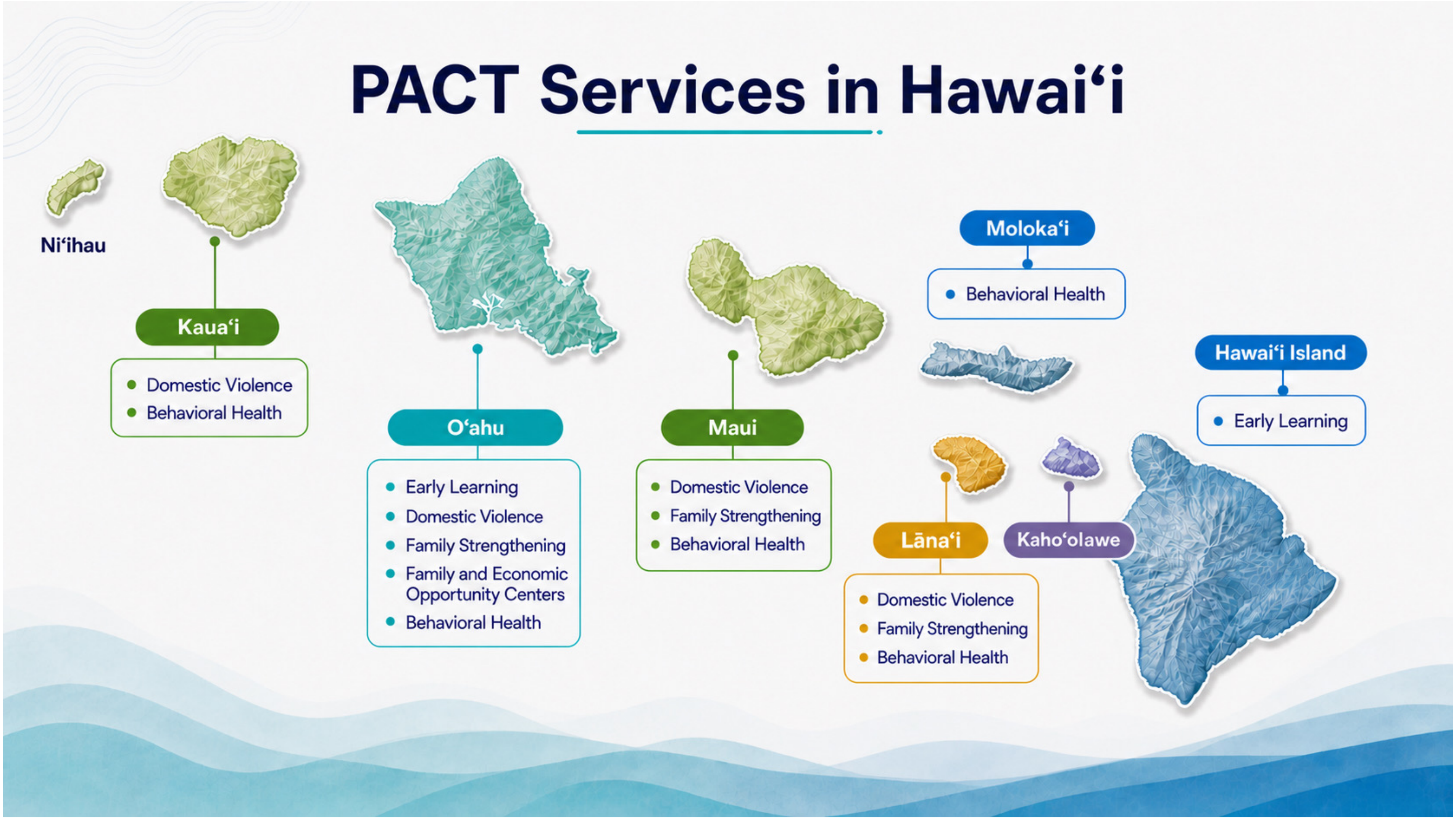
- Climate & Environmental Disruptions
- Geopolitical/War
- Immigration/ICE

Formal Partnership Types

Parents And Children Together (PACT) Services

- Established in 1968 in Kuhio Park Terrace
- Statewide
- ~400 Employees

Parents And Children Together (PACT) Services



Some Formal Partnership Options

1. Full Merger into Survivor

A merges into B

BRAVO continues as the surviving entity; ALPHA does not need a separate legal dissolution.

2. New Combined Organization

Both A and B merge into a new entity

ALPHA and BRAVO combine into a newly formed entity, sometimes called a consolidation.

3. Parent / Subsidiary Relationship

B becomes sole member of A

ALPHA stays in existence, but governance documents make BRAVO its "parent."

4. Asset / Liability transfer

A transfers selected assets to B

The parties identify specific assets and liabilities for transfer to BRAVO.

5. Program-only transfer

A assigns program contracts to B

Certain program assets and contracts move to BRAVO; the transfer can be limited in scope.

6. Services relationship

B provides management services

BRAVO provides agreed-upon services to ALPHA, typically for compensation.

Formal Partnerships: Talk To Your Neighbor

What are some formal partnerships that you have been involved in?

Restructuring Scenario	Key Advantages (Pros)	Key Disadvantages (Cons)
1. Merger of ALPHA into BRAVO	✓ Simplifies corporate structure into a single legal entity ✓ Maximizes operational synergies and efficiencies ✓ Unified governance under the surviving entity	✕ ALPHA loses its distinct legal and brand identity ✕ High integration effort and resources required ✕ Significant risk of organizational culture clash
2. Merger of BRAVO and ALPHA into a new entity	✓ Creates a strong perception of an equal partnership ✓ Offers a "clean slate" for governance and operations ✓ Combines mutual strengths under a unified new brand	✕ Highest legal and administrative burden to set up ✕ Loss of established brand history for both organizations ✕ Complex transition of all existing contracts and vendors
3. Dissolution of ALPHA & Transfer of Assets	✓ BRAVO can selectively acquire only desired assets ✓ BRAVO successfully avoids unwanted legacy liabilities ✓ Provides a definitive, structured conclusion for ALPHA	✕ Complex, piecemeal process of transferring individual assets ✕ Lengthy statutory dissolution process required for ALPHA ✕ Potential for unintended tax implications

Restructuring Scenario	Key Advantages (Pros)	Key Disadvantages (Cons)
4. Only Program Transfer	✓ Highly targeted scope carrying much lower overall risk ✓ ALPHA maintains its existence for other ongoing uses ✓ Significantly faster execution than a full structural merger	✕ Does not solve broad entity-level administrative inefficiencies ✕ Requires complex untangling of shared resources and staff ✕ Limits the potential synergy scope between organizations
5. Parent Subsidiary (Affiliation of Nonprofits)	✓ ALPHA retains its distinct brand and legal identity ✓ Preserves specific, entity-tied funding streams or licenses ✓ Generally easier to unwind later than a full merger	✕ Adds a permanent layer of governance complexity (two boards) ✕ Ongoing risk of strategic misalignment between parent and sub ✕ Fails to eliminate duplicated administrative overhead costs
6. Management Agreement	✓ Fastest restructuring scenario to negotiate and implement ✓ Easily reversible with very low long-term legal commitment Both entities maintain total legal and financial independence	✕ No true structural integration or shared equity created ✕ Potential conflicts of interest over management fees/services Offers significantly less long-term stability than a merger

Informal Partnership Types

What are some informal partnerships that you have been involved in?

Some Informal Partnerships

- Resource and knowledge sharing
- Program Collaboration – co-hosting events
- Advocacy and Awareness
- Coalition-style cooperation
- Operational support

Why Partnerships Don't Always Work Out

Why don't non-profit partnerships always work out?

Why Non-profit Partnerships Don’t Always Work Out. :

- Purpose
- People
- Process
- Preparedness
- Power

Why:

THE 5 CORE VULNERABILITIES

Purpose
Partnerships fail when organizations are not truly aligned on the purpose. Using the same words (e.g., “impact”) but defining success differently or lacking a clear problem definition leads to drift and frustration.

People
Even with a good strategy, collaborations fall apart if the staff are not aligned. Low trust, poor communication and misaligned values erode relationships and hinder navigating inevitable challenges.

Process
Many partnerships die in the process. When roles, decision rights, timelines, and accountability are vague, misunderstandings compound into conflict. Without simple process structures, the work stalls.

Preparedness
Organizations may lack the capacity to deliver: insufficient staff time, funding, or systems. When real bandwidth doesn't match commitments, partners overpromise, underdeliver, and damage credibility.

Power
Unequal or unmanaged power dynamics quietly undermine collaboration. When one partner controls governance, funding or othe key areas.

Why:

THE 5 CORE VULNERABILITIES

VALUES

Purpose
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People
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Practical Partnership Considerations

Practical Partnership How To's:

Purpose
Start with shared outcomes

- Co-define the problem and outcomes before tactics or funding
- Write a one-page purpose statement
- Confirm mutual benefit: what each side gains and contributes

People
Build trust & communication

- Ask staff for feedback on who is an ideal partner
- Set communication norms and regular check-ins

Process
Make the work operational

- Put roles and decision rights in writing
- Agree on simple governance and conflict handling
- Set metrics, review points, and an exit plan

Preparedness
Check readiness & capacity

- Assess staff time, budget, and capacity honestly
- Secure internal buy-in before committing externally
- Start small — pilot before you scale

Power
Design for equity

- Name who controls funding, data, brand, access
- Ensure meaningful voice
- Make mutual benefit visible in the agreement

Questions?


Mahalo