More than ten years of evidence demonstrates that cross-sector partnering is increasingly being used to find solutions to the significant challenges in the ‘too hard basket’ such as unemployment, poverty, pollution, ageing population, economic pressures, and increasing productivity through innovation.

Ian Dixon
Value from partnering

As the world continues to face many complex challenges there is now a clear recognition these ‘tough problems’ will not be solved by ‘business as usual’. The traditional isolated methods and systems of government, education, not-for-profit organisations and business fall short of the mark. The time has come for dramatic change – a change we must embrace if we are to see results rather than rhetoric.

More than ten years of evidence demonstrates that cross-sector partnering is increasingly being used to find solutions to the significant challenges in the ‘too hard basket’ such as unemployment, poverty, pollution, ageing population, economic pressures, and increasing productivity through innovation.

This global momentum around cross-sector partnering also has resulted from the emergence of new approaches to developing a more sustainable and equitable world such as ‘Shared Value’, ‘Blended Value’, ‘Collective Impact’ and ‘Impact Investing’.

All these approaches involve the different sectors coming together and working in new ways to achieve transformational change and innovation and create greater impact than by working alone.

The partnering challenge

Partnering is not easy. It can be extremely challenging to navigate the maze of relationships that arise in complex multi-stakeholder partnering initiatives. Often the partnering will ebb and flow as people come and go, or the political landscape changes.

So are we really getting the value and outcomes we are seeking from these cross-sector collaborations, given the level of investment of resources and time needed?

Potential partners come together around a common issue to co-create and co-design the solution.

When we look closely at how cross-sector partnering is being adopted around the world we can see a number of factors limiting the value from this new way of working. These include:

Confusing language – the word ‘partnering’ has become so generic and is often interpreted so differently it regularly leads to misunderstandings, unrealistic expectations and loss of potential.

Lack of clarity around value creation – there is a lack of understanding of the value that can be created from cross-sector partnering; be it economic, social and environmental value for individuals, organisations, or society as a whole.

Inadequate skills – there is an assumption that working beyond the boundaries of your own organisation and/or sector is easy and that people should just be able to ‘partner’.

Limited organisational capability – while many organisations espouse their partnering credentials, very few have had the internal conversations needed to gain clarity around this subject. Old systems and the tendency for organisations to fragment and create endless ‘silos’ actively works against collaboration and effective cross-sector partnering.

Unrealised opportunities – the lack of knowledge and understanding by organisations of other sectors can leave opportunities for collaboration and partnering untapped.

Understanding partnering

When we look at the language around partnering we see many definitions, all with slight variations around a theme of establishing a long-term relationship around a common purpose, based on mutual trust and respect, where risks and rewards are shared.

This might be the ideal situation, however, what we see in practice is quite different. There is a multitude of partnering relationships in operation, ranging from donor recipient type relationships at one end of the spectrum, to highly integrated relationships at the other end. We have found that unpacking the various partnering relationships within an organisation, using some clear categories, can assist greatly in understanding how to partner more effectively. We use three categories as a starting point.

Level one: Sponsorship – a donor–recipient model in which one of the partners makes contributions to the other.
Level two: Transaction – an exchange between parties that may involve people, time and resources as well as money.

Level three: Integration – where partners co-create and co-design solutions around shared goals or a common issue. This form of cross sector partnering is where innovation and transformational change takes place.

Potential partners come together around a common issue to co-create and co-design the solution.

While all of these types of partnering relationships are valid and may be appropriate in given circumstances, the key is to be able to distinguish which level of partnering is required for a particular situation and ensure this meets the expectations of other potential partners.

From here we can get a clearer picture around the potential value creation that can be achieved.

Austrade’s partnering journey

In 2011, Austrade – the Australian Government’s trade, investment and education promotion agency – was seeking a greater focus and effectiveness of its partnering relationships through developing ‘stronger but fewer partnerships’.

Austrade initiated a major review of its partnering relationships and sought to develop a partnering framework for the organisation.

Following an extensive internal and external review, Austrade found there was no consistent approach on how it engaged with other organisations. There was a lot of confusion and misunderstanding around just what ‘partnering’ was or should be. The term was being used to describe actual partnerships, contractual agreements, client service relationships, financial sponsorships, and coordinating and decision-making bodies.

Austrade utilised some simple frameworks and tools, such as the partnering categories described above to clarify and simplify the language, policies, business practices and support systems required to derive maximum value from these relationships.

Over the last three years, partnering has continued to be a key focal point within Austrade and the organisation is as committed as ever to utilising this approach to delivering better results.

Austrade has been rolling out this new model and associated business processes to support its staff, including developing partnering skills within the organisation.

However, its partnering journey has not been easy. Some key challenges have included developing a partnering culture across such a diverse organisation; gaining buy-in throughout all levels of the organisation; developing a consistent understanding around ‘how we partner’; and maintaining momentum for change throughout a major restructuring and with significant staff changes.

While it hasn’t been an easy journey the benefits are starting to pay off with improved collaboration with state governments and industry associations, and plans to accelerate relationships with other key stakeholder groups.

Building capability

To extract maximum value from cross sector partnering, organisations need six key attributes to be in place. If successfully incorporated, these will provide the right environment for cross sector partnering to deliver transformational change and innovation.

• New thinking – To develop relationships and enable creative and innovative solutions, we need a different mindset that involves valuing diversity as a catalyst for change. We also need to develop an understanding and level of confidence with the lack of knowing that comes with working in complex systems; and to let go of our own priorities and create freedom to explore shared priorities and objectives.
**Leadership** – Internally, leaders need to create an enabling environment and culture which gives their people ‘permission to partner’. Where people involved are empowered to fully participate and can make decisions on behalf of their organisation without fear of reprisal later. External leadership is required within the partnering process to broker the relationships and guide the partners along the journey.

**Knowledge of cross sector partnering** – Having a consistent understanding of cross-sector partnering language and approaches within your organisation is essential. Developing an organisation-wide framework for cross-sector partnering enables the selection of the most appropriate level of partnering for a given situation and maximises the opportunity for getting results.

**New skills** – Working beyond the boundaries of your own organisation provides some wonderful opportunities but many challenges. Balancing the demands of your organisation with your partners’ requires another level of understanding and sophistication. That is in addition to the challenges of developing strategies and solutions that are emergent, co-created across sectors to achieve innovation. It takes considerable knowledge, skill and experience to be able to engage effectively with others, build commitment and develop shared ownership through the partnering process and focus on the complex issue at hand and the change goal at the forefront.

**New tools and systems** – When organisations from different sectors come together they engage in a new space where there are no systems or tools in place. That creates both a challenge and an opportunity. The tendency may be to adopt the policies, procedures, tools or systems from one of the host partners. While this may be expedient it will rarely meet the expectations or requirements of the other partners. If we want organisations to work together in new ways then we must seek out new tools, processes and systems that will support these new ways of working.

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**Cross-sector partnering is a process – a means to an end, not an end in itself.**

**Organisational buy-in** – Those involved at the partnering table can work really hard to build and maintain relationships and to co-create innovative solutions to a common challenge. Any outcomes or impacts, however, may be diminished if it cannot be scaled, initiate a policy change or impart system-wide change. Organisational buy-in is needed that not only supports the cross sector partnering initiative but also can leverage the outcomes across broader policy areas and systems and bring additional knowledge, resources, perspective and experience to the initiative.

**Realising the potential**

Cross-sector partnering is being seen more and more throughout the world as a way of solving tough and complex challenges. It is emerging as a viable business model and an effective way of achieving outcomes such as Collective Impact, Shared Value and Blended Value.

But cross-sector partnering is a process – it is a means to an end, not an end in itself, and we need to ensure that whenever we use this approach it is grounded in reality.

As this new way of working across sectors becomes more accepted we will need to ensure we are continually seeking ways to realise its full potential and employing the necessary rigour to achieve this.

In seeking maximum value from cross-sector partnering initiatives we need to assess how ready we are to partner. Have we the right skills, knowledge and understanding of how to partner effectively? And have we had the internal conversations about how we as an organisation may want to partner with others?

If we are to unlock the full potential of cross sector partnering and maximise value we need to build organisational capability and build it quickly. The six attributes referred to in this article are essential for any organisation to consider before entering into a cross sector partnership with others.

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This article was adapted from Ian’s recent white paper *Adapt and Prosper: Unlocking the Potential of Cross Sector Partnering*, available at www.iandixon.com.au