

PathWays PA and Women In Transition: A Partnership to Better Serve Women

Carol Goertzel and Roberta Hacker 23 January 2013

Executive Summary

For the last year, the leadership of PathWays PA and of Women In Transition have worked together to form a partnership to ensure that vulnerable women living in the greater Philadelphia area have access to the services necessary to achieve self-sufficiency, well-being, safety and sobriety. The partnership between PathWays PA and Women In Transition comes at a time when all social service organizations face two daunting challenges: increased demand for services and reduced resources. The approach taken by PathWays PA and Women In Transition offers an innovative way to “do more with less,” creating operational efficiencies within two organizations with complementary missions and services, which creates opportunities for cross referrals and joint programming without duplication of services.

The United Way of Greater Philadelphia and Southern New Jersey and The Philadelphia Foundation played a critical role in helping to bring PathWays PA and Women In Transition together. Through the resources and support

provided by the United Way and The Philadelphia Foundation, PathWays PA was able to engage external consultants who provided expertise that helped in analyzing the risks and benefits of the partnership and kept the process moving forward.

Need for Partnership

The partnership between PathWays PA (PathWays) and Women In Transition (WIT) was formed to ensure the survival and continuation of WIT as an agency and of its programs and to strengthen both organizations to better meet the needs of vulnerable women. In 2011, the executive director of WIT approached the president and CEO of PathWays PA to discuss forming a strategic partnership to serve vulnerable women. At that time, WIT was challenged by declining revenues, forcing the organization to make difficult decisions about its future. From this challenge came the opportunity to partner with PathWays PA and create new joint service offerings that would build WIT's capacity in areas of need including fiscal management while benefiting the consumers served by both organizations.

WIT viewed PathWays as a natural partner because of PathWays's long history of providing comprehensive services for vulnerable women, teen girls and families. PathWays PA viewed WIT as a potential partner because of its established history of serving vulnerable women who are victimized by domestic violence and substance

abuse. Both directors concluded that the services provided by PathWays and WIT are natural complements: many of the women served by each organization are in need of the services offered by the other organization.

This partnership is an invaluable opportunity to strengthen and develop both organizations individually while providing opportunities to grow collectively. This partnership will aide two organizations with nearly 75 years of combined experience in continuing to serve vulnerable women and teens, a population that has increased over the past five years because of the country's economic condition and the diminished investment in services for those who often go voiceless.

Expected Impact

Expected Impact

The services provided by PathWays and WIT are natural complements, with, as noted, many of the women served by both organizations in need of the services offered by both partners. Regardless of where they enter either organization, women will have the ability to access to a full array of services including job training, adult education, financial literacy, financial and credit counseling, domestic violence counseling, early intervention substance abuse services, residential services for at-risk teen girls, parenting education for pregnant and parenting teens and home-based case management services.

The strategic partnership helps to streamline the referral process and provide women with the opportunity to access these services under the umbrella of one organization, rather than requiring multiple referrals. Because of this “one-stop shop” approach, women will be more likely to successfully enroll in the full spectrum of services they need in order to move toward self-sufficiency, well-being, safety, and sobriety; consumers are more likely to take advantage of available services when they can do so with minimal need for referrals.

The boards of directors for PathWays and WIT agreed on six criteria to measure the success of the affiliation:

- Submit a joint grant proposal within the first six months of the partnership and at least one proposal each year;
- Receive joint grant funding within twelve months;
- Hold at least one joint fundraising activity during the first twelve months of completing the agreement, to be continued annually;
- Ensure cost-neutral financial services within the first three months of completing the agreement and maintain cost neutrality;
- Ensure no negative impact from core WIT funders during the first twelve months; and
- Conduct collaborative activities at WIT’s Center City office within the first three months of the partnership and continue that collaboration.

The boards of both organizations will utilize these criteria moving forward to determine whether the partnership is having its desired impact. These success factors will also be used to measure the ability of both organizations to effectively implement the affiliation agreement.

A Case Study

A Case Study

PathWays PA and WIT partnered with a strategic planning consultant from LimNorris Consulting Group, Vic Lim, to develop a best practices model to assist organizations in joining together in an affiliation relationship. The model includes three key phases based upon the United Way's strategic partnership framework: feasibility assessment, exploratory negotiations and structuring the partnership.

The process outlined below demonstrates that through the diligent work of both organizations, with the support of a dedicated facilitator two organizations following this model can come together to better serve the community.

In October 2011, the PathWays PA president and the WIT director met to discuss a potential partnership that would ensure WIT's ability to continue delivering services.

During this discussion, both organizations' leaders identified synergies in their organizational missions. Based upon this and subsequent conversations, the president and the executive director took the idea to their respective

boards and received approval to proceed with the idea. Both boards agreed to move forward with the due diligence process in December 2011.

This process involved weekly meetings between the PathWays president, the director of WIT and the strategic planning consultant for the first four months, followed by biweekly meetings in the subsequent months. The strategic planning consultant assisted the two organizational leaders in reviewing the programmatic fit between their organizations, identifying areas of strategic growth, identifying each organization's strengths—both separately and in partnership, addressing issues and challenges related to the partnership and reviewing the plan to move forward with the strategic partnership, and determine the optimal fit for both organizations. The consultant also facilitated meetings with each board separately and between the boards of directors of both organizations. Throughout the process, the consultant documented actions taken and maintained a timeline that helped to define the next steps and keep everyone on task.

PathWays PA also utilized the services of Your Part-Time Controller (YPTC) to assist in completing the financial due diligence. Prior to this process, YPTC had been serving in a consulting role for PathWays PA and was familiar with the organization's financials. YPTC assisted the Pathways PA's president and board of directors in analyzing WIT's financial standing, areas of risk for PathWays and

efficiencies that could be mutually realized through a partnership.

To further develop this new concept, an ad hoc Joint Board Governance Committee (Governance Committee) with two representatives from each board was created to determine and resolve the governance issues that resulted from the creation of this new entity. The members of the Governance Committee were chosen based on their professional strengths and experiences including previous legal experience and organizational management expertise in bringing two organizations together. The Governance Committee worked to make several key decisions regarding the governance of the WIT subsidiary, including the structure of the organization, the responsibilities of the boards for the two organizations, leadership and fiduciary management and oversight and board composition.

The Governance Committee and the leaders of both organizations, with the assistance of the strategic planning consultant, were able to work through many difficult operational issues. The boards of directors remained focused on the larger, macro-level issues, such as the financial impact on both organizations, the risks associated with a subsidiary relationship and the benefits for both organizations and consumers. Throughout the process, both boards were able to focus on the question of why, while the Governance Committee and organizational leaders focused on questions of how the

subsidiary relationship would function. This helped to keep the process moving forward and ultimately led to its success.

As is the case in building any affiliation relationship, there were challenges that threatened to derail the process. During the early discussions of the governance structure, the WIT board had a few moments of hesitation that caused the PathWays board to also reconsider participating in the process. During this period, the PathWays' president and WIT's executive director kept an open line of communication and continued to discuss the goal of the partnership with the strategic planning consultant and with their respective boards. After reflection by both boards of directors and with the help of PathWays' board chair, who established an approach for moving forward that WIT agreed to, both organizations renewed the affiliation process with a greater sense of purpose.

The Governance Committee, with the assistance of the strategic planning consultant, developed a draft governance document in layperson terms for review by both organizations. After reviewing the draft governance document, both organizations agreed to move forward with the development of a formal affiliation agreement establishing WIT as a subsidiary of PathWays PA. With the assistance of the pro bono counsels, the Governance Committee created a formal affiliation agreement. Both boards passed the affiliation agreement in November

2012, and it was then sent to the Pennsylvania Attorney General for approval. The Attorney General approved the affiliation agreement on December 21, 2012.

Partnership Model

Partnership Model

Pro bono legal representation for both organizations presented the boards of directors and organizational leaders with multiple partnership configurations, including affiliation, merger or subsidiary. The organizational leaders and boards of both organizations spent time analyzing the different models and the recommendations of their pro bono counsels from the law firms of Dechert LLP and Ballard Spahr LLP. After reviewing all of the factors involved, both organizations agreed that the most advantageous relationship would be for WIT to become a subsidiary of PathWays PA while maintaining its own 501(c)(3) standing. Through this type of partnership, PathWays PA serves as the parent organization and WIT becomes its subsidiary. While both organizations will remain legally recognized organizations, PathWays will have governance and financial oversight of WIT.

Several details of the subsidiary structure required some thinking through and some clear decisions. PathWays PA would legally become the parent organization in the affiliation, and the PathWays board would become the sole voting member of the Women In Transition

Corporation. The affiliation agreement developed by the joint Governance Committee established how WIT's annual operating budget would be approved, how the performance of WIT's executive director would be overseen and reviewed and how the composition of WIT's board of directors would change. Based on the subsidiary structure, PathWays PA will have the final authority to approve actions taken by the board of its subsidiary, Women In Transition.

Key operational practices were also addressed by the Governance Committee. This was regarded as particularly important, as the representatives from both organizations agreed that it was critical to anticipate every set of circumstances that might challenge the governance of the new entity. WIT's executive director will remain responsible for the day-to-day operations of the agency, including the execution of the organization's programmatic and development plans. PathWays PA will provide financial management and IT services for WIT, which will enable the WIT director to focus on program development, fund-raising and delivering the highest-quality services possible.

Lessons Learned

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In developing this best practices model for joining together two nonprofit organizations PathWays PA and

WIT learned a number of invaluable lessons. These lessons include:

- It is essential that there be buy-in from the leadership, the chief executives and the board chairs of both organizations. Throughout this process, an organization's board and leadership can and should actively debate the course of action that is in the organization's best interest. Ultimately, it is important that the organization's board and leaders come to a consensus on the outcome that is in the best interest of the organization and that they work together to achieve this outcome.
- Legal counsel for both organizations must be engaged early in the process and participate in meetings with the organizations. This early engagement of legal counsel enables the lawyers to see the big picture and to be involved in any negotiations at the earliest stages, helping the process run more effectively.
- It is important to have a strategic planning consultant who is skilled, patient, focused and committed to the endeavor, able to establish effective processes, able to outline critical options and willing to keep reviewing with both partners the goal of the partnership. The consultant has a key role in assisting both organizations to meet their goals. This enhances the strengths of both organizations while working toward a mutual goal. The consultant must also be

committed to the missions of the organizations.

Without a consultant that is patient and committed to the process, and committed to the organizations' missions, there is greater potential for the partnership to lose momentum and get bogged down in resolving minor issues.

One of the keys to the success of this affiliation process was the effective utilization of external resources: the strategic planning consultant, the financial experts and the pro bono legal counsel. All of these professionals were involved in the entire process through the support of the United Way and The Philadelphia Foundation. Having third parties involved in the process to provide informed, unbiased opinions and assistance will afford the boards and leaders of both organizations a greater sense of security in moving the partnership forward. The involvement of the consultants at the earliest stages of the process helped to ensure that all parties looked at all aspects of the partnership, rather than bogging down on issues that had little impact on the big picture.

Through hard work, mutual respect and a clear understanding of the goal of the partnership, two organizations can come together to enhance their services and more effectively meet the needs of the community. The process described above was effective in bringing together two organizations with the joint goal of providing high-quality services to help vulnerable women and families achieve self-sufficiency, long term well-

being, safety and sobriety.

Author Bios

Carol Goertzel, President and CEO, PathWays PA
Ms. Goertzel has been serving low-income and at-risk families as executive director of PathWaysPA (formerly Women's Association for Women's Alternatives, Inc.) since 1994. She was promoted to president and CEO in 2004. She directs and oversees the agency operations and services dedicated to helping women and children through a wide array of programs including: residential programs in Philadelphia and Delaware County; truancy prevention; services to children in their own homes; teen parent support; job training; adult education; and therapeutic counseling. Ms. Goertzel has worked to develop and build organizational capacity in terms of serving both long- and short-term needs of mothers and families in crises involving homelessness, neglect and abuse, as well as with families struggling with welfare reform and self-sufficiency. Ms. Goertzel has worked with others for the betterment of women, children and families for the past 30 years. She has been a mentor to many women as they weave their way as leaders. She believes in civic education and advocacy for the rights of those less fortunate or struggling personally and economically to move their families forward. Ms. Goertzel received her bachelor's in sociology and anthropology from Washington University and her master's degree in

nonprofit management from Eastern University; she completed graduate work at the University of Pennsylvania.

Roberta L. Hacker, Executive Director, Women In Transition

Ms. Hacker has been an activist and leader addressing the issues of violence against women for more than 40 years. Hired by Women In Transition (WIT) in 1986 as the coordinator of community education, she became the executive director in 1988. Through her work with domestic violence and child abuse, Ms. Hacker identified a strong linkage between the two and utilized an incredible amount of her own time in the mid-1990s to establish and coordinate a local workgroup on domestic violence. Her leadership led to Philadelphia's first citywide meeting between domestic violence advocates and children's advocates on the linkages of domestic violence and child abuse—a meeting that included key members of law enforcement, domestic violence agencies, child welfare, the elder abuse and health care arenas, the district attorney's office, educators and concerned citizens. In 2002, Ms. Hacker created Philadelphia's first domestic violence summit (held in July 2003), which brought together personnel from the police department, district attorney's office, health department, child welfare, shelter system, behavioral health and other domestic violence programs to work together to ensure that battered women and their children receive optimum

services from multiple systems. Ms. Hacker also initiated the creation of the Philadelphia Domestic Violence Hotline Collaboration, leading the county's four domestic violence programs (WIT, Women Against Abuse, Lutheran Settlement House's Bilingual Domestic Violence Project and Congreso de Latinos Unidos Latina Domestic Violence Program) in providing a 24-hour bilingual hotline.