Strategic Collaboration for Sector Sustainability:

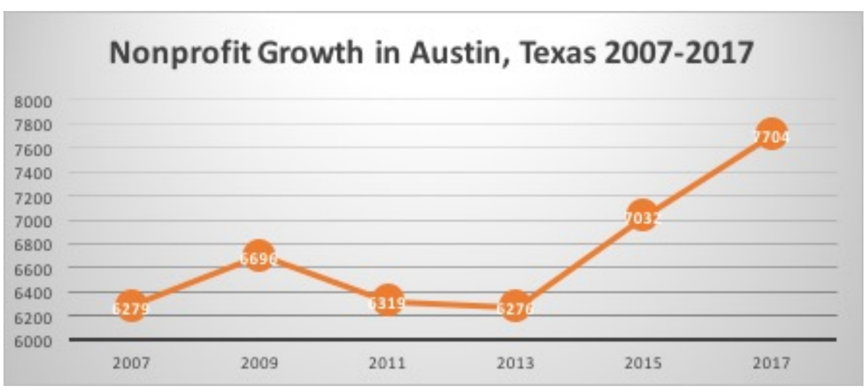
A Study of Community "Catalyst" Funds & Austin Area Collaboration

Summary

Austin's nonprofit sector is experiencing rapid growth, outpacing most cities nationwide. In an effort to close the need-funding gap and deliver deeper impact, many communities across the United States have launched "catalyst funds" to encourage nonprofit collaboration. This study of six catalyst funds across the country identified common elements and lessons that could be applied in Austin, including the need to have broad community support and developing a long-term sustainable approach. Nonprofit and donor perspectives on recent collaboration in Austin were also included as part of the study. Interestingly, as this research was being conducted, the Better Together Fund in Dallas became the first catalyst fund in Texas. For donors and nonprofit leaders interested in further developing social impact collaboration in Austin through a catalyst fund, the intention of this report is to highlight the most salient issues and strategies for success.

Introduction

Across the nonprofit sector, organizations are faced with increased competition for finite resources and increased pressure from funders and stakeholders regarding their efficiency and effectiveness. By the numbers, Austin had 7,704 registered 501(c)3 nonprofit organizations in 2017.[1] This is a 30% increase over a decade. Austin has more nonprofit organizations per capita than any other city in Texas and more than any other in the Southwestern region of the United States. In fact, the number of nonprofits per capita in Austin is more than major metropolitan areas of New York, Los Angeles, and Boston and more than comparable cities such as Philadelphia and Charlotte. Approximately half have missions focused on providing health and human services or education/research services.[2] Meanwhile, the number of foundations in the area, along with total foundation assets, have failed to return to pre-recession levels of 2007. Many nonprofits operating in Austin are disproportionately small: 54% have revenues less than \$100K[3] and 72% of the nonprofits report a budget of less than \$1 million.[4]



[1] Data from Guidestar
[2] Mission Capital (2015). On the Verge: Value and Vulnerability of Austin's Nonprofit Sector.
[3] Ibid
[4] Ibid

Community challenges grow increasingly complex and demand for services continues to rise. A 2015 study in Austin reported that 81% of nonprofits report an increase in demand for services.[5] As organizations emerge to address local needs, they must compete for clients, funding, and other resources making them less able to work collectively toward system wide goals. Nonprofits are increasingly asked to accomplish more with less resources. While it is unlikely that giving will ever meet demand, outcomes can be improved by implementing more strategic approaches that expand the reach and depth of collective nonprofit efforts. Research indicates that nonprofit collaboration can increase efficiency and effectiveness in the nonprofit sector, ultimately producing increased access and improved outcomes for populations served.[6]

Nonprofit collaboration refers to informal or formal joint-working arrangements between organizations that remain autonomous while engaging in ongoing, coordinated collective action to achieve outcomes none of them could achieve on their own. On one end of the collaboration spectrum rests informal working relationships. On the other end of the spectrum is collaborative restructuring, best exemplified by mergers and acquisitions. In between exists a range of working relationships, including models of collective impact.

Informal Collaboration | **Collective Impact** | **Collaborative Restructuring**

[5] Ibid

[6] See Panepento 2017; Sagawa 20016; Bixler et al. 2016 for work in the Texas Hill Country

Key Findings

This study reports a qualitative inquiry into the motivations, barriers, and opportunities that drive nonprofit collaboration in the Austin, TX metropolitan area. Some key findings include:

- Project manager support plays a key role in successful collaboration.
- The benefits of professional and personal relationships, including trust, are a key factor for success.
- Funders can play a role helping nonprofits explore collaboration and restructuring from a position of strength, rather than when organizational pressures lead to it as required option.
- Many success stories go untold, leaving some funders with the misconception that collaboration is not happening in Austin.

This study also includes a qualitative inquiry into the six different community catalyst funds across the country. Some key findings include:

- Catalyst funds must have broad support and understanding from the entire nonprofit community; collaboration dictated by donors is unlikely to succeed.
- Collaborations are most successful when they are undertaken from a position of strength as part of a strategic plan and with the full support of the fund manager.
- Strategic restructuring takes time and funding to succeed; nonprofit leaders need support for confidential exploratory discussions on the long journey toward any restructuring.
- Collaborative restructuring processes that don't succeed should not be labeled "unsuccessful". Sometimes the exploration process helps a nonprofit realize that collaboration is not in the best interest of the nonprofit.
- There is no one 'right way' to run a catalyst fund; differences include the size of the fund, how grant applications are processed and how funds are provided.

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Purpose and Methodology

The purpose of this study was threefold. The first purpose of the study was to interview catalyst funds across the United States and learn best practices that may assist such a fund in Austin. Catalyst funds, sometimes referred to as collaboration funds, are donor collaborations designed to provide support for nonprofits interested in collaboration or strategic restructuring. Second, the study sought to learn of the drivers and barriers to nonprofit collaboration in the Austin area by focusing on a range of collaborative efforts from mergers and acquisitions to collective impact alliances. The third purpose of this study was to provide a set of recommendations based on the findings gleaned from the two separate inquiries. In presenting the findings, the objective is to help nonprofits, their stakeholders, and their funding partners innovate and improve the practice of collaboration.

Research for this study was conducted by the RGK Center for Philanthropy and Community Service from July – December 2017. The study began by interviewing the leaders of six community catalyst funds and one organization that more broadly supports such funds nationwide. The study also presents a qualitative analysis of 14 nonprofit collaborations that occurred in the Austin metro area. Thirty interviews with nonprofit executive staff, board members, collaboration consultants, and funders were conducted. Participants were interviewed either via phone or in person, with interviews lasting between 30 and 60 minutes. Interviews were semi-structured, allowing the interviewer to follow up with additional questions to clarify or elaborate on a response. The interviews were transcribed and analyzed using NVIVO software. An informal interview was also conducted with Better Together Fund, which launched in June 2017. The donors who launched the Better Together spent five years studying the landscape of nonprofit collaboration and catalyst funds.

Through participant interviews, the study offers a qualitative analysis of the drivers and challenges organizations experienced in the collaboration process. The principle research questions were**:**

1. What are the drivers of nonprofit collaboration? What are the barriers?
2. Across the range of nonprofit collaboration from informal to mergers, are the barriers and/or motivations similar or different?
3. What funding structure is necessary, or possible, to support nonprofit collaboration?
4. How and why were catalyst funds launched, and how were they managed?
5. Have catalyst funds been successful and how has that been measured?

Though the collaborations presented here varied in type, process, and degree of success, all study participants had invaluable observations and suggestions that can be used to guide organizations contemplating a strategic collaboration. These observations and suggestions serve in this study as a key tool to educate nonprofits, funders, and stakeholders about successful strategies.

Catalyst Funds Across the Nation

In 2008, the Great Recession threatened the viability of many organizations and there was an urgency for nonprofits to consider strategic restructuring and alliances to share in burdening operational costs and delivery of services. In many ways the sector has rebounded from the financial crisis though the most recent report from the State of the Nonprofit Sector still shows that 76% of nonprofits reported an increase in demand for services and 52% of nonprofits could not meet demand.[7] Nonprofit leaders remain concerned of their readiness to remain financially sustainable. As a direct result of the Great Recession and the continued uncertainty in the post-recession climate, catalyst funds have sprung up around the nation to provide support for nonprofits exploring long-term strategic and sustainable collaborations that would deepen mission impact. See Appendix B for a map of existing catalyst funds. The Better Together Fund in Dallas launched in 2017 and new funds are in the works in Chicago, Houston and New Orleans.

Catalyst funds in Charlotte, Boston, New York, Los Angeles, Philadelphia, and Cincinnati were interviewed for this report.

Collaboration Fund Structure

Catalyst funds, sometimes referred to as collaboration funds, typically consist of a pooled fund structure combining the resources of multiple foundations. Although the award structures vary by fund (see Appendix A for a table outlining different structures and functions of funds), three types of grants were identified:

- Exploration
- Planning, and
- Implementation.

Exploration grants gave nonprofits the space to experiment and test the waters of a new venture. Specifically, in exploration grants nonprofits were given the leeway to "fail forward," meaning that, if the organizations decided not to proceed with an integrated venture because they learned that they were incompatible, then the grant was still considered a success. These grants almost always were used to hire consultants that helped facilitated the exploration. Exploratory grants are awarded to organizations that are at the early stages of determining compatibility with the ultimate goal of deciding whether or not to move forward with a formal partnership. At this stage, Funds emphasize the learning process and recognize success even if organizations decide not to move forward together.

Planning grants focus on the due diligence required to determine if the collaboration can legally and fiscally benefit both parties with the output of this stage typically being a Merger Agreement or Memorandum of Understanding that includes the collaboration details. The third grant is for implementation which focuses on the execution of the plan and provides technical assistance in legally

[7] Nonprofit Finance Fund. (2015). State of the Sector Report.

closing the transaction, a new integrated website, branding, program restructuring, combining work cultures, etc.

All funds that were identified emphasized collaboration in a variety of forms from informal to formal collaboration, merger, acquisition, or other form of integration. Grant sizes increase significantly from exploration to planning to implementation. There was wide variability in the size of the funds and how the funds were managed. Half of the funds are still operating and the average term of these funds is six years.

The catalyst funds are regionally focused and have a pooled funding structure. With the exception of one fund, each funding partner has one vote and therefore equal decision-making power within the group despite the quantity of the gift. The fund that does not share this commonality has a core group of three managing funders that make the decisions on behalf of the entire group. Half of the funds dedicate their resources to select nonprofits sectors based on the interests of the funders while the other half of the funds do not restrict who can apply for a grant within their region.

All funds emphasized the role of evaluation in grant making as a means to know if grantees were able to do what they set out to do. Most funds simply required their grantees to complete a pre- and a post-survey on the impact of the negotiations once an outcome was achieved. Though none of the funds set a timeline for which negotiations must be complete, most fund managers reported that they would ask for some informal update every six months. Only one fund required their grantees to go beyond a one-time post-survey and required a report on the impact of the collaboration or partnership semi-annually for two years after implementation.

Key Findings

Nonprofits drive the conversation

Cognizant of the negative reaction that can arise from the top-down donor suggestions that nonprofits merge, the catalyst funds that were interviewed emphasized collaboration in a variety of forms. Further, funds stressed the importance of focusing on the message of mission and deepening impact through collaboration rather than financial savings when communicating about the fund to the nonprofit community. In several cases it was noted that positive reception of the Fund came from communities where the Funds were created in response to demand from the nonprofit community rather than from a report stating or suggesting an overabundance of nonprofits.

The underlying purpose of catalyst funds is to help nonprofits explore collaboration and restructuring from a position of strength, rather than when organizational pressures lead to it as a required option. Yet, many nonprofits reaching out to a catalyst fund may be in a vulnerable financial state and confidentiality was noted as extremely important initially between the Fund and the nonprofit community. All the catalyst funds that were interviewed are managed by a third-party organization, rather than in-house of one of the Fund partners. This structure allows for confidentiality to be maintained throughout the application process. Often the fund manager helped serve as a facilitator for early merger conversations.

Ensuring that nonprofits were in the driver seat, catalyst funds required applicants to show "readiness" for exploration or negotiations by requiring participation or a letter of intent by the Board of Directors of partnering organizations. The inclusion of the Board of Directors in this early phase is important due to the strategic nature of the deal and the understanding that collaborations are highly likely to fail without board support.

Each of the funds that interviewed recognized the importance of being flexible. Several iterations or adjustments were made to the fund application and review process to better accommodate needs of nonprofits. All funds allowed grantees to dictate the timeframe in which they needed to complete the project and offered advice on the selection of technical assistants to guide them through the collaboration process. Some funds provided a list of vetted experts in the field. In at least one case, funding was provided directly to the outside consultant rather than to the nonprofit.

Education first

The spectrum of collaboration is varied and wide from programmatic partnership to shared back-office support to restructuring including mergers. All funds stressed the need to educate the donor and nonprofit community on the breadth of collaboration ventures. Most funds held community-wide events to prime the community and gauge market demand for the fund prior to launch. Fund managers singled out board education to be of upmost importance given that boards are often a major impediment to successful collaboration. As one fund manager put it "collaboration is not for the weak," it takes patience, perseverance, and strong leadership to go through the process. Having an informed understanding of strategic collaborations will help nonprofits deepen their mission impact, rally stakeholders to the cause, and permit organizations to have a nimble reaction in times of stress.

Part of the education process and the determination of collaboration "readiness," four out of five pooled funds required a preliminary application conversation with the fund manager. The fund manager is able to be a sounding board for the nonprofit partners and provide applicants with the long-view process that partners will undergo to get the work done. Many boards and nonprofit leaders are unfamiliar with the merger process and guidance about what to expect removed some of the mystery and anxiety.

Lead by example

Participating Collaboration Funds in this study had a pooled funding structure. The fund managers noted the importance of modeling the type of collaborative behavior funders intended to support. The donor collaborative, like the grantee collaborations, required trust to make the venture a success. In some cases, donors had pre-established relationships with each other and in other cases, the fund manager was the trusted party.

Normalizing Collaboration

One of the main goals of these various Funds was to normalize the idea of strategic restructuring and alliance partnering among the nonprofit community. This might include mergers, acquisitions, shared back office functions, and other strategies for administrative and programmatic consolidation. To reach this goal, the Funds stressed the importance of framing the conversation on the many forms of collaboration instead of suggesting that mergers are the solution which can generate a negative response from the nonprofit community.

Fund managers believe that collaboration in their community has become normalized or is on the way to being normalized. Managers are seeing the landscape of collaboration work changing. From 2008 to 2010, at the height of the Great Recession, most applicants were approaching Collaboration Funds because there was a funding crisis. Today, however, Funds are mostly approached by organizations considering strategic mission alignment.

Nonprofit restructuring: mergers, acquisitions, and partnerships

The concept of strategic restructuring has come to be inclusive of a set of approaches available to nonprofits to increase organizational effectiveness and sustainability. However, research and experience elsewhere indicates that restructuring can be viewed by a mission-driven nonprofit as risking identity and independence. The risks are frequently clear and substantial, while the potential benefits are more often diffuse and unknown. This study sought to deepen understanding of the experiences of nonprofit mergers in the Austin area through interviews with the philanthropic community, consulting experts, and organizational leaders.

Not all restructuring collaborations are successful and this study included both collaborations that had completed restructuring as well as those that were uncompleted or resulted in a "divorce," in which two organizations dissolve their partnership. Understanding the challenges that arise during the collaboration process can be helpful for those considering or engaged in a partnership. This study highlights what the participants considered to be the most significant issues.

Those readers more familiar with for-profit mergers will note the many similarities in the findings below. The merger process, keys to success and pitfalls are the same. The nonprofit world and the for-profit world often mistakenly define failure as 'not completing the merger' when, in fact, failure should be defined as pushing ahead with a merger that does not create an aligned organization that has a greater impact than that of the two individual organizations alone.

Key Findings

Critical Issue: Lack of Board Education

The lack of education of nonprofit board members was the number one cited roadblock to mergers, acquisitions, and other types of strategic restructuring by research participants. Additionally, participants also disclosed that board members lacked general education on their purpose and role in the process. Without board training nonprofits cannot move forward with a collaboration effort no matter how well planned. Evidence suggests that once board members understand and accept the

> *"Boards have to understand their role in the community and the role in the partnership or the network of providers in which the organization exists. The mission is more to the clients receiving the services and not the success of the organization."*

collaborative restructuring, that they can become important messengers to convey the message to other organizational leadership, staff, and volunteers.

Critical Issue: Finding the Right Partner

The "courtship" process between nonprofits is fraught with potential pitfalls, delays, and politics. Prior cultivation of personal and professional relationships between organizational leaders can prove valuable when the road gets rough. In this research, strong relationships frequently existed prior to the time the collaborative restructuring process began. Participants noted that mission alignment, cultural fit and trust were the most important elements in finding the right partner. In particular, trust serves as the foundation of the collaboration process. In the case of dissolved or divorced processes, trust between the partner organizations was not strong enough to overcome the cultural differences and structural barriers.

> *"All of us had some sort of service collaboration, formal and informal that we were involved in. Some of the executive directors had both professional and personal relationships that extended over longer periods of time. Those help, it really helps particularly during what could grow into bumps in the road."*

Success Driver 1: Be Mission Focused

Participants pleased with their partnerships cited the mission as playing a central role in the success of the collaboration. Though financial stress or a leadership change can inspire a restructuring process, participants from successful collaborations repeatedly emphasized the importance of finding and committing to common goals and a common vision for the community. Many found that by keeping the community at the forefront helped smooth out disagreements and kept the momentum going to complete the partnership. As one participant from an uncompleted partnership put it, "they [the board] were very committed to the mission of the organization but they were not as committed to the bigger vision of addressing the systemic problem for the region."

> *"The mission is much more to clients that are receiving the services in the community and not the success of the organization."*

Success Driver 2: Financial Support for Collaboration

Conducting a due diligence process requires time, ability to manage complex schedules, and skill in facilitating tough conversations. Unfortunately, most nonprofit organizations are already working on

> *"… it comes down to bandwidth. We've already put in hours and hours and hours of very expensive time to just get to the point where the collaboration is strong, and the collaboration can try to get a grant."*

shoestring budgets and cannot afford to dedicate staff time to quite a lengthy process. As one participant illustrated, "there's so much upfront work that has to be done, in putting together a strong, good collaboration. The amount of time that is spent in meetings and pulling in the right people and having the facilitation of meetings, and going out and finding out who are you missing, what are the gaps, doing the strategic piece of it. All of those things. Generally, the funding comes when you get to direct service."[8]

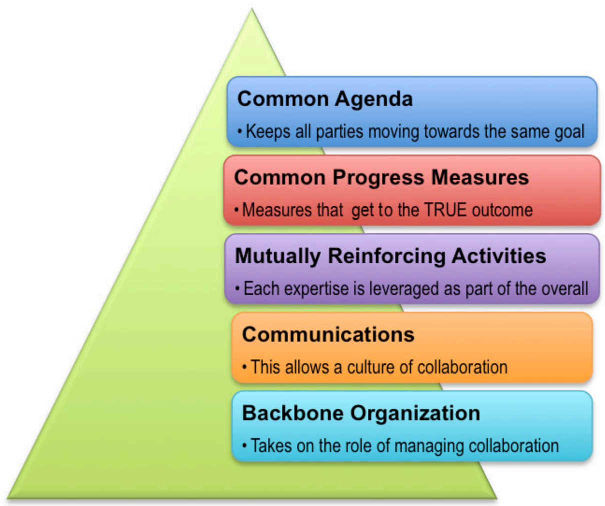
Evidence suggests that direct funder involvement in mergers is associated with positive outcomes such as continuation of services following a merger and improved financial stability. Funders can play multiple roles in collaborative restructuring, including facilitator, organizational matchmaker, and financial support of the process. These various functions surfaced as important in interviews.

In all successful merger cases, participants noted the critical need for professional facilitation to help ask the hard questions and dig into the details of the partnership. Consultants helped them keep momentum and stay focused on completing the task at hand as well as ensured that all parties were fairly represented. All participants stated that there is not enough financial support to help organizations shoulder the cost of collaboration process from due diligence to integration. Without financial assistance, the costs of the undergoing the process impact the probability for success.

[8] Owen et al. (2012). Success factors in nonprofit mergers

Collective Impact

Collaboration between organizations are everywhere and come in infinite forms. However, in conducting this research, the collective impact model was commonly cited by participants as "how they were collaborating. The collective impact model was established in 2009 with the publication FSG's "Breakthroughs in Shared Measurement." Unlike other collaborative endeavors, the collective impact model relies on five conditions: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations (Kania & Kramer, 2011).



The current study does not explore those five conditions, rather focuses on the broader barriers and drivers of collective impact efforts in Austin.

Key Findings

Critical Issue: Trust and Relationships

The importance of trust in all stages and aspects of a collaboration can't be overstated. Trust in collaborations is not only based on both reputation and past performance of the partners but also forged through daily interactions, personal friendships, and social bonds. The majority of collective impact initiatives interviewed started because of a funding opportunity. Participants however stated that once the funding dried up it was the trust in the backbone organization and the relationships with the other partners that continued to bring people to the table.

"We're not worried about folks liking us, but they must trust us. And they trust us because we provide relevant, objective data because we convene the relevant and important stakeholders whether education based, politically appointed or even business. From the business world, we're able to convene all these relevant stakeholders, which keeps these organizations and the individuals fired and coming back to do this work even when say grant funds have dried up."

A key factor in fostering trust and maintaining positive relationships for the backbone organization with all partners is the ability to stay neutral and communicate with everyone. Interviews suggest that partners rely on the backbone organizations to mediate, maintain equity amongst the partners and keep the vision of the group at the forefront of the work.

Success Driver 1: Making the Benefits Obvious

Collaborations at the periphery of an organization absorb time, demand resources, and start to compete with other essential tasks of the organization at the expense of the overall health and balance of a sound impact strategy. Some organizations have dozens of collaborative agreements and in order to curb collaboration fatigue, collective impact groups have to make the costs and benefits transparent: training, access to improved advocacy opportunities, a seat at the table during policy creation, funding for a new program, etc. Participants were frank in stating that mere benefit of belonging to a network related to your nonprofit's mission is not what brings people to the table.

> *"Having an organization that can amplify my effectiveness in pushing a particular policy or providing an introduction for collaboration is invaluable."*

Success Driver 2: Being Nimble

Important to the continued success of all the groups interviewed was their ability to solve problems within the group. Evaluation efforts should focus on learning and self- improvement throughout the initiative in ways that ask critical questions regarding initiative effectiveness, efficiency, and structure. All collective impact initiatives had revised their decision-making frameworks at least once during the course of the initiative. Through flexible structures and giving space to "fail forward", collaborations became learning laboratories. Staying nimble and flexible allows the collective to stay fresh, scale the opportunities for the sector as a whole, and deliver better services to as many clients as possible.

> *"We want to know that we're showing up and we're making a decision about this thing and we're going to go do it, and we're going to accomplish our goal and then we're going to move onto another thing."*

Success Driver 3: A "Home-Grown" Backbone Organization

The backbone organization for a collective impact initiative is important in as far as the message that it sends. If the backbone organization is recognized as one that has been seeking to positively impact the community for some time, then there is an instant sense of trust and legitimacy which often results in a desire to see the initiative succeed. All the backbone organizations interviewed were "home-grown" Austin organizations and have a deep history of working in the Austin community. The strength and credibility of the backbone organization is essential to the success of a collective impact initiative. Each of the backbone organizations interviewed in this study stressed the importance of having the trust of the members as well as the community at large to speak to the vision the group is trying to achieve. The backbone organization must take on the roles and responsibilities of goal setting, assessment, communication, education and engagement. Additionally, being a competent, reliable, and transparent source of data to evaluate the impact effort is an important role for a backbone organization.

> *"It's the trust that the organizations have for the backbone, because the objective data produced and the research that is done is not only objective but it's so poignant and so relevant and gets into gaps that other kind of research centers and think tanks just aren't touching on."*

Conclusion

Three central themes came forth in this study that suggest Austin could benefit from a catalyst fund. First, ***the spirit of collaboration in Austin is strong***. This research, and previous community research efforts, identified a number of examples the illustrate that nonprofit organizations are working collaboratively to successfully deepen impact. Programmatic partnerships, collective impact, and mergers are all happening in Central Texas. This spirit and general willingness to collaborate contributes value to the social impact sector. As seen from collective impact initiatives, nonprofit leaders are willing to take shared responsibility of their community and approach new ideas and solutions with a sense of togetherness. Second, there is a natural realization among the community that ***the issues we are facing are complex and require greater coordination than what is currently in existence.*** Despite interviewees feeling that collaboration is somewhat normalized and welcomed in the Austin community, each of the collaborations mentioned were issue-specific. While this is important, measurable impact has yet to be gained on any pervasive and complex social issues. This may be because people have still not fully realized the type of collaborative structures that can address the interconnected nature of the issues. Collective impact initiatives seek to remedy the silo focuses of nonprofits by helping the community take full context of the issue into account. Finally*, **the conditions in Austin appear right for a catalyst fund,*** similar to ones analyzed in this research. At a minimum, the community seems to need a source of funding that can catalyze exploratory collaboration discussions. Additional sector-wide conversations are necessary before launching such a fund to confirm the need and help determine how to implement it. Known as an entrepreneurial region, this same "start-up" mentality can help community leaders embrace a community-wide vision and discover shared elements of their missions. Austin will need all of its entrepreneurial muscle and creativity to close the growing gap between need and funding and deepen impact.

Recommendations

- Identify nonprofit sub-sectors with the highest potential for collaboration
- Conduct outreach and education on collaboration opportunities
- Develop an investment strategy to support and promote nonprofit collaborations
- Invest in fund manager and leadership education on collaboration models, strategies, risks and potential benefits

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Appendix A: Characteristics of Catalyst Funds Interviewed

	Catalyst Fund Boston	Catalyst Fund Charlotte	NYMAC	L.A. NSI	Philadelphia Repositioning	Patterson Foundation	Green Acres Foundation
Started	2008	2008	2010	2012	2015	2009	2012
Ended	2016 – end of piloted time	2016 – funding ran out	Continuing	Continuing	Continuing	2015 – no demand	Continuing
Structure	Pooled	Pooled	Pooled	Pooled	Pooled	Single	Single
Fire Starter	Report	Funder & NP Community	NP Community	Report then Conference	Funder & NP Community	Part of org mission	Funder
Initial Nonprofit Reaction	Skeptical	Skeptical	Neutral	Positive	Positive	Positive	Negative
# of Grant Types	3	2	2	2	2	1	1
Application Process	Conversation	Conversation	Conversation	Online App	Conversation	Conversation	None
Req to apply	Fund manager resolution; Joint application	Fund manager chair signs application	Fund manager resolution	Fund manager resolution	None	None	N/A
Good Fit	Fundamentally change the way NP do business	Measure impact of partnership	Readiness – fund manager resolution	Readiness – pre-existing relationship	Clear purpose/readiness	Leadership, willingness, readiness, capacity, culture	N/A
Grant Distribution	Direct to third party	Flexible	Flexible	Single grantee	Single grantee	N/A	N/A
Vetted Consultants	Yes	Yes	No	Yes	Yes	Yes	No
Match Partnerships	No	No	No	No	No	Help with exploration	N/A
Successful?	Yes & No	Yes	Yes	Yes	Yes	Yes	Yes
# of grants total	50	50-75	66	55	unknown	handfuls	N/A
Lessons Learned	Language; Education first; Forum to meet	Funder collaboration; Education; Language	Database system; Language; NPs drive	Flexibility; NPs drive; Fast decisions	Confidentiality Lots of startup work	Fund the journey	Big carrots; Takes time to mature idea of mergers

Appendix B: Map of Catalyst Funds Across Country