Exploring Shared Service Models:

A Cost/Benefit Analysis

September 2013

Toronto Neighbourhood Centres

By Ryan Turnbull

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1.1 Backgrounder

As the nonprofit (or social) sector receives increasing recognition by all levels of government, social innovation in its many forms is capturing the attention and spurring the imagination of many who want to take part in high impact social change. Of the many exciting changes emerging across the intersections of service and sector, a fundamental set of values has been constructed around the term, "collaboration". Collaboration is a multifaceted concept that involves both a broad and deep understanding. As a phenomenon rooted in best cultural practices, collaboration involves an integrative approach and shared values with a synergistic outlook. Key to this innovation in practice is a focus on finding common ground in service delivery models and resource sharing to both cut down on costs and to advance the interests of all participating collaborators while minimizing or resolving divisions. Systems change advocates and complexity theorists say that structural challenges are partially the result of a deadlock among the sectors. These divisions are a product of complex dynamics between the structures of private, public and voluntary sectors. But the word 'collaboration' signifies a real social innovation, and in a very tangible way marks a redefinition of human productivity, interconnectedness, and societal infrastructure. The way the social or voluntary sector views its work is certainly shifting dramatically in response to a more challenging, demanding, and fast-paced environment. Part of this response sees more organizations seeking opportunities to relate, stay connected, coordinate their work and work together toward shared goals. Being

the innovators for social responsibility and stewards of community and the environment, the social sector is accustomed to adaptation to change while operating in a context of resource scarcity. Slowly and steadily the social sector is attempting to minimize its dependency and looking forward to consequently enjoying a greater degree of autonomy. Drawing wisdom from the other sectors, social sector organizations are strengthening their networks, self-organizing across the sector and beyond, and seeking "radical efficiency" for a host of worthy causes.

The motivation for adopting infra-sector and cross-sector collaboration is provided by the current funding context, which has seen years of diminishing resources on account of cutbacks, a lack of core funding and shifting funding priorities. Operating a mission-driven, social sector organization within this context means that many organizations are in 'survival mode' with no assurance of their future. The funding environment has provided the impetus for organizations to constantly adapt and be resilient while becoming more entrepreneurial and frugal. In turn, such an environment may foster one of two responses: individualized competitiveness to secure key resources, or consolidation efforts through mergers or partnerships to better ensure security. The first response to precarious resource availability may result in creating divisive silos within the social sector, and thus not capitalize on the benefits of collaborative purpose. Countering the tendency to compete for resources, government funders, private foundations and philanthropists have encouraged and incentivized organizations to collaborate, partner and in some cases amalgamate. For better or worse, the gradual consolidation of the social sector is occurring and will most certainly continue with the many forces driving it. The challenge for each organization faced with these realities is to individually assess the many opportunities for collaboration and decide which ones are worth pursuing. Among the factors that may inform leadership decisions when considering collaboration opportunities are the costs and potential benefits.

Within this exciting and challenging context, many networks, alliances, collaboratives and umbrella organizations are seriously considering 'shared services'. Some organizations are motivated by necessity and others are intrigued by the prospect of finding efficiencies and achieving potential cost savings. Shared services is a general term used to denote a 'sharing' among service providers of a function of their work with the intention of improving its efficiency and effectiveness. The idea presupposes that individuals, departments, or groups can not only share a service, but that by doing so there is at least the prospect of improvement.

1.2 Introduction

Founded in 1965, Toronto Neighbourhood Centres (TNC) is an association of non-profit multi-service organizations consisting of 34 members across the City of Toronto. TNC and its members are dedicated to strengthening local neighbourhoods and enabling diverse communities to work together to promote justice and a healthy life for all.

In the spring of 2013, TNC seconded staff from the Local Immigration Partnership at Wood Green Community Services to conduct qualitative research to explore the models and practices of shared services. Out of this research an extensive report was produced by Hawieya Egeh entitled: *Consortium Bidding, Joint Purchasing & Shared Back Office Collaboration Models and Best Practices.* The report was the precursor to a quantitative study analyzing shared services from a cost/benefit perspective.

In the summer of 2013, TNC contracted Eco-Ethonomics Inc. a Toronto based consulting firm focused on social innovation and social enterprise development, to conduct a cost/benefit analysis of three shared service opportunities. The shared services that TNC wished to explore were shared back office initiatives, joint purchasing and consortium bidding.

1.3 Project Parameters

The primary purpose of this project undertook to explore these three shared service options with a specific view to collect information necessary to complete a cost/benefit comparison of said different shared services; namely, Joint Purchasing, Shared Back Office and Consortium Bidding.

Objectives of this project were defined as follows:
1. To analyze the cost/benefit of shared services
2. To interview successful shared service initiatives and synthesize key learning
3. To develop guidelines for further explorations of shared services utilizing key learning

The project was carried out over two months in the summer of 2013 and was to be completed before the Annual General Meeting of membership and the Ontario Trillium Foundation grant reporting deadline of Sept 30, 2013.

1.4 Research Process

In the initial briefing session with the working group for this project, collaboration, in terms of potential opportunities and challenges, were discussed in-depth. During this meeting the consultant team constructed five key questions to steer the research phase that would follow:
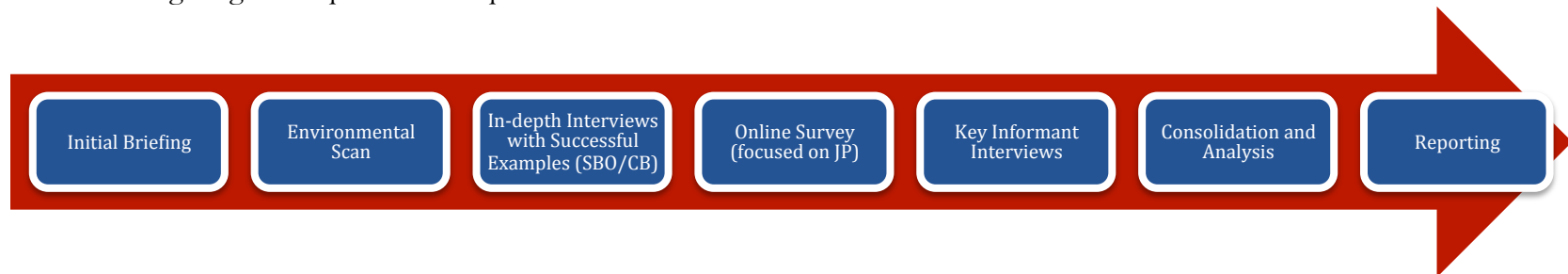1. Is collaboration beneficial despite the amount of cost savings?
2. How substantial do anticipated cost savings have to be for organizations to engage in shared service initiatives?
3. Is cost savings the primary motivator for most groups that explore shared services?

4. Should cost savings be the main reason that groups engage in forms of shared service?
5. What shared service opportunities should TNC and its members explore further to make best use of limited time and resources?

The methodology for this process included scanning the social sector environment through key contacts and compiling a list of promising examples of each shared service model, including Consortium Bidding and Shared Back Office initiatives. Scan selection criteria focused on successful models that were well established (in existence for at least 1-2 years if possible) and had well designed evaluation systems in place. Also there was an attempt to focus on service models for consortium bidding that could be diverting clients, services and costs from public services. From a methodological standpoint, using comparable instances would yield more relevant data by focusing on examples with other well-documented, available service costs in public institutions.

An online survey was administered to collect specific data from TNC members, the questions from which specifically addressed a limited number of areas for potential joint purchasing. The idea was to get reliable information on the combined purchasing power for the TNC membership on services that they regularly buy. An intentional focus was placed on areas where products and services might be simple, comparable or straightforward in sourcing from one supplier.

The following diagram depicts the full process from start to finish:

| Initial Briefing | Environmental Scan | In-depth Interviews with Successful Examples (SBO/CB) | Online Survey (focused on JP) | Key Informant Interviews | Consolidation and Analysis | Reporting |

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1.5 Key Challenges

One key challenge with any cost/benefit analysis is comparing the many qualitative benefits of people accessing needed supports and services with the cost savings which may or may not be substantial. The benefits are evident in cases where there are both robust social outcomes documented and substantial cost savings in service delivery as compared to previous service delivery practices. However, where a comparison starts getting more problematic is in cases where there may be minimal or virtually no cost savings and yet substantial benefits or improvements in client service documented. It may be useful to try to position each example in a cost/benefit matrix, which could assist in a common understanding for doing a quick and comprehensive screening of the cost/benefit of any service, program or initiative.

Another key challenge that was anticipated at the outset of this study was that each organization or member of a collaborative is very unique and in fact a complex system in-itself. A comparison of organizations, especially those that house many services under one roof, may prove resistant to comparative analysis: each organization is a different shape, size, has a distinct structure, different staffing positions, very individualized workflows (both formal and informal processes), roles and responsibilities, decision-making processes, management styles, and cultures. Furthermore, the task becomes even more complex when considering how individuals in organizations understand and assess the value of their work, processing the perceptions of service recipients and the notion of value that they derive from services delivered, or assessing the purchasing behavior of each organization and attempting to generalize across multiple agencies. A system-based perspective adds another (yet essential) layer of complexity with respect to organizational difference as it will necessarily entail asking questions about the best use of resources or how to maximize social value within a limited funding pool. The more precise and guiding question emerging out of this project would be: how do we compare the effect that these new shared service innovations may have on the sector as a whole, and what value could these shared service models potentially generate for communities and people?   One of the second circumstantial challenges concerns the very nature of shared service models themselves given that their implementation is still relatively recent, and thus it can prove challenging to verify and validate their effectiveness at this stage.

Increased social outcomes

Minimal Social Impact + Substantial Cost Reduction	Improved Impact + Substantial Cost Reduction
Minimal Social Impact + Little to No Cost Reduction	Improved Impact + Little to No Cost Reduction

Increased cost savings
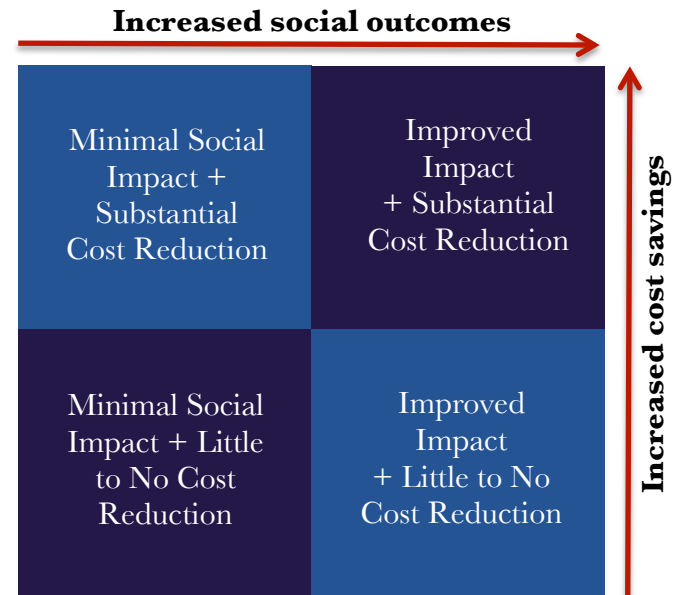
Lastly, there is always the anticipated challenge that the rigorous data, which would prove most useful to this type of study for the specific purpose of verification, is simply unavailable. With knowledge of the needed evaluation and document tracking capacity in the social sector, the consultant team embarked on this process with this constraint in mind.

2.0 Consortium Bidding

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2.1 Definition

Consortium bidding refers to the activity of more than one agency collaboratively working to submit a funding proposal as a group. Preparing a proposal in partnership with numerous contributors usually implies some level of involvement or support by the collaborating agencies. The term 'consortium bidding' may be new, but the practice is not. Any social service organization that has been around for more than a decade most likely has some experience with submitting collaborative funding applications. Many of these relationships may be developed with improvements in community and client service proposed to funders through joint service provision or better coordinated service delivery. The increased number of collaborative funding proposals is a recognized trend in the social sector. Provided here are three key examples of successful services that illustrate the benefits of adopting consortium bidding as part of multi-agency practice.

2.2 'Home at Last'

Originally, the idea for *Home at Last* (HAL) was mounted by a single agency and later was recognized as an idea worth developing by a number of community support agencies connected through the Toronto Ride Network for over 10 years. Together they decided to approach a hospital, secure funding, and develop the program in the west end of Toronto. The project was piloted under

the name *Soft Landing*, which was funded with a small amount of grant money from the Toronto Central LHIN. The program was developed in collaboration with 3-4 community support agencies serving seniors and 1 local hospital to start. The idea was to assist seniors in successfully transitioning home from the hospital after being released. Initially it was observed that many seniors struggled to make it home upon discharge from hospital, especially when they had no family support. The program offered seniors a Personal Support Worker (PSW) to provide transport from the hospital, help with errands (e.g. picking up prescriptions), and some basic meal preparation for 48 hours before referring them to a case manager at a local agency that is tasked with follow-up. The initiative has been highly successful in reaching seniors who are frail, isolated, and in need of basic home support. Previously, many seniors were not aware that existing agencies in the area were available to them. As the hospital did not have to make the arrangements to get their patients home, the cost of providing the supports to get them home were much less than the cost of them staying in the hospital. Four years later, *Home at Last* is now offered across the City of Toronto and includes 10 agencies and all the hospitals, and receives funding on a fee for service basis from the Toronto Central LHIN. The program has also been replicated across the province of Ontario.

The lead agency for HAL is St. Christopher House and the organization is funded to play a central coordinating role for this initiative, which includes managing a central call center for all the hospitals in the city and dispatching staff from local agencies. Each participating agency must have the requisite internal capacity to provide: transportation, PSWs and case management support. Agencies are paid for the actual service they provide based on community need.

In the evaluation reports that HAL has produced for the last four years, the outcomes of the project are impressive and the number of discharges are increasing every year. The cost savings would be substantial when compared with the additional overnight stays or readmissions to the hospital, which would be the likely result if HAL did not intervene. In order to make these calculations it would be necessary to average the number of nights stay for seniors admitted into the hospital in communities where HAL (or a program like it) do not exist or the average nights stay per senior at hospitals prior to the existence of HAL. Any reduction in the length of stay could then be converted into a dollar savings per discharge, which could be compared with the average cost of HAL support service per discharge. This information is not readily available and thus far has not been included in the regular evaluations of the program. It is important to remember that when these calculations are

Benefits
- Improved outcomes for seniors
- Increased awareness for seniors (who would not have known otherwise) of community supports and agencies available in their area
- Contributed to community support agencies having a more standardized approach
- Working more closely with hospitals which was groundbreaking
- Understanding how to work with each other effectively (i.e. among service agencies and between service agencies and hospitals)

completed, these will provide a touchstone document in evaluating other comparable services that use an integrated, consortium bidding approach, and what correlation this may have in maximizing both social and cost-savings outcomes.

2.3 Community Action Resource Centre

Turning crisis into opportunity is the moral of the story for the Community Action Resource Centre, a group of 6 agencies that each had at least 80% of their budget cut in 2012 by Citizenship and Immigration Canada (CIC). In the aftermath of this devastating blow, the group struggled for their survival and eventually secured stabilization funds through the Ontario Ministry of Citizenship and Immigration (MCI). The group was able to acquire $300,000 in funding for three years through the partnership project and at first planned to explore joint fundraising on a large scale. Each organization has retained its own independence and administrative structure, and the group set out initially to ensure the autonomy of members. The rationale for this was to respect the ethnic specificity of each of these organizations given the close ties they maintain within the respective communities they serve.

Benefits
- Information sharing and learning
- Trust within our network of organizations
- Enhanced capacity through training each other
- Some shared services
- Some exchange of services
- Language sharing
- Health plan has been renegotiated
- Better relationships

After the first year the group found that their plans to raise funds was not going to be viable and so are now in the process of developing their strategic plan, governance structure and a sustainability plan. The new strategic directions of the collaborative include priorities to: 1) sustain the partnering organizations, 2) increase collaboration and improve efficiency of operations and 3) share learning. One of the results of the new and improved directions of the consortium is that the group is working to explore cost savings. One of the options that the group is exploring is the possibility of cutting costs for insurance, health plans, and phone lines.

2.4 CANES Community Services

More than three years ago, with the objective of, "bringing quality care home" CANES Community Services joined forces with Community Care Partners and the CCAC to more effectively deliver home-care to seniors across a broader area. The three

collaborating agencies saw this as an opportunity for voluntary local health integration and also as a response to pressures from the LHIN for accountability, evaluation and performance measures. The collaboration was initially based on shared mission, vision and values, as well as long-standing partnerships between the agencies. With a collective budget of 18 million dollars, the collaboration has based their model on Nesta Labs from the UK, which used the Radical Efficiency model, resulting in cost savings upwards of 15-20%. The Radical Efficiency Model advocates a view to reconceptualizing the relationship between service resources and suppliers as a system to better differentiate services at a reduced cost at higher efficiency and quality, and not simply as a means of making modest adjustments within a system which may yield less impressive cost savings results.

There are four core working groups involved in the collaboration: Quality, Client Services, Human Resources, and Business Development. The Joint Venture Steering Committee that meets monthly, investigated employee benefits and went to market with four hundred employees. They received five proposals and the result was a collective savings of 13% in premiums ($100,000). The net savings was approximately $35,000. This has allowed them to redirect $100,000 to client services.

Besides consortium bidding, the collaborative also engages in joint purchasing for supplies, joint savings on (mandatory) training and shared resources such as a shared IT plan for the joint venture. The result is that the partner organizations have been able to share the cost of the steep price of "senior link", computer database software, by purchasing a master license. Offering joint training in infection control and computer software among other areas has resulted in 5-10% cost savings and joint purchasing of supplies such as gloves, masks, uniforms, and other related supplies, has also resulted in 5-10% cost savings. The outcome has been expansion of the service area, increased funding for each of the agencies individually, and collective

Benefits
- Cost savings due to shared purchasing, resources and training
- Increase in geographical scope and services for senior homecare

cost savings that has helped redirect additional resources to client services. Another benefit is job security: because there is a significant demand for Senior Care, jobs are not being cut in the individual agencies so there is a high level of comfort regarding the collaboration.

2.5 Models and Learning

Each consortium bid would have to be evaluated on an individual basis. It is difficult to determine the cost/benefit of consortium bidding in general as each present unique factors that are not directly comparable for analysis. Most consortium bids that are successful offer an innovative service delivery model that present the possibility of substantial cost savings somewhere else in the

system. "Home at Last" is a good example of this; by enabling seniors to more efficiently and easily transition home after a stay in the hospital, hospitals are avoiding the hefty costs of unnecessary overnight stays and readmissions.

The cost of preparing a consortium bid is significant. It is estimated that each proposal will require approximately 2 weeks of intensive work to prepare. Those that participated in the research for this study estimated between 120-250 hours for a consortium bid to be prepared. On average there would need to be about 4-5 meetings with the core group of collaborators with 1 main person writing and 2-3 individuals sharing the workload and reviewing sections of the proposal. Numerous key informants revealed that agencies that are used to preparing proposals for specific funders are much more efficient at writing applications and meeting the requirements. Familiarity with the funder and their guidelines was said to be a factor in how much effort was required for the submission. Also, if agencies had worked together many times before and had a high level of trust, then generally fewer meetings were required.

Many consortium bids are never funded which brings up the very real concern that some of the efforts put into these processes are wasted. This may be true in some instances; however, the ancillary benefits in working more closely to plan service provision together and come to clear agreements around contributions and resource sharing may actually surpass the resources expended. Certainly, assessing when consortium bids are likely worth the investment of valuable staff time and energy is a challenge every social sector organization must face. Each organization should consider whether the process itself could result in a closer relationship with stakeholders with whom greater collaboration is desirable. This way, regardless of whether the bid is successful, the organization will achieve a goal and retain some substantial benefit.

Advice From Key Stakeholders:

- Buy-in is always difficult
- Management and leadership need to agree on taking part and then following through
- Must have frontline buy-in
- People are overwhelmed by their day-to-day work
- "We did a tremendous amount of education"
- "We needed champions in each agency and partner"
- "It takes lots and lots of time to do this"
- Whatever you present has to be a simple explanation
- We had a great consultant to help us prepare education materials, evaluation framework and tools
- Start this well – we didn't start at full capacity
- Collaboration take lots of time, energy and patience
- We have had to continue the on-going education
- Ensure you have a very strong evaluation framework set up before hand to be able to quantify the benefits
- Have very open discussions – no elephants in the room
- Everyone has to follow-up and do their part of the work
- Follow the rules – agreement with a schedule and clear expectations
- Immediate problem solving when conflicts arise – we have infrastructure to ensure that things do not escalate

3.0 Shared Back Office

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3.1 Definition

The term 'shared back office' refers to the practice of numerous agencies coming together and consolidating their resources in areas that are typically associated with administration. Typical examples may include sharing financial accounting, human resources management, administrative support and policy or governance functions. Some shared back office initiatives include the sharing of physical space and in some cases agencies will voluntarily choose to co-locate with other agencies. Organizations may place all or some of their agency staff in a shared office space. The immediate apparent benefit of shared back office is in cutting down on duplication of functions that can instead be centrally shared and administered. In addition, many of the costs associated with both administration and information technology can be significantly reduced, and thus cost savings translate directly into being channeled to core services.

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3.2 Community Door

In 2007-2008, the United Way of Peel Region commissioned a feasibility study, which was conducted by HSC Vision Inc. The study explored the model for a shared space for Human Services in Peel. Many social service agencies across the region were engaged to take part in the consultations and planning sessions. Some significant findings from the feasibility study were that many of the agencies engaged in the research were open to sharing back office functions.

Community Door is composed of 14 not-for-profit agencies, under the direction of 7 Board of Directors who represent the local service sector organizations. As a service "hub," it is guided by four key values: collaboration, caring, compassion, and competence. In cases where a particular member agency cannot adequately meet the specific needs of a client, or when the client may benefit from additional services, the member agencies are encouraged to employ an internal referral mechanism to other member agencies of Community Door. By centralizing an array of unique social services in key locations in the communities of Brampton and Mississauga, clients can more easily navigate their options for service at one convenient location.

"A very interesting finding from the survey included the response to the question about the interest or willingness of agencies to explore sharing some "back-office" services. Twenty out of 26 responses to this question (77%) stated that they would be interested in exploring this concept and 17 specifically identified sharing IT support, while 13 respondents identified sharing financial supports and 12 identified sharing HR supports." United Way of Peel Region. (2008)

3.3 Association of Neighbourhood Houses British Columbia

The Association of Neighbourhood Houses British Columbia has been in operation for 119 years with the goal of working with communities to develop innovative programs and services that meet the changing needs of a diverse population. Initially, there were just two neighbourhood houses and now the Association encompasses eight neighbourhood houses and a total of 15 members including other external agencies. Essentially, the Association has become the central office for the eight houses and provides services to other private settlement houses. The Association itself provides a suite of central services and is responsible for all financial services for its members, including accounting, payroll and budgeting. Accounting is done through a central and secure online solution that allows for agencies to add information through a user-friendly interface, and reconciliations are completed afterwards. The Association is also responsible for strategic planning, training, HR management, records management and running the legal board of the organizations. The Association convenes one legal board for all 15 member organizations and coordinates 8 committees and 11 advisory committees. Providing direction and governance models, organizing board and staff retreats, events

and conferences are all important pieces of the service supports of the central back office. This is beneficial because the houses can consult experts when they need advice about accounting, legal or human resources. This has helped to streamline processes for increased efficiency. Examples of this are combined training, records management, and HR protocol, such as, forms for termination, hiring procedures, movement and referral have been standardized. Further benefits from this initiative are idea creation, increased awareness, as well as, information and resource sharing.

Central services staffing model includes a total of seventeen employees and offers supports in the areas as mentioned previously. The biggest problem identified by "Central Services" is that the demand for services exceeds the supply of resources allocated for staffing. Membership fees are kept at a minimum to maximize the attractiveness for members. The shortcoming of this model is that the demand for personnel exceeds the supply of staff. This has a limiting effect on the capacity of the Association to take on more shared positions or functions.

"There are significant cost savings to the members in several areas like audit, insurance, accounting, software and hardware. Moreover, ANHBC is able to leverage better returns on investment with a common pool of funds. By offering shared services the member Houses are able to access uninterrupted, high quality professional services. It frees up time and infrastructure at the House level and also ensure due diligence and controls." - Anonymous

Department	# Staff
Financial	8
Human Resources	2
Office Administrators	2
House Liaison	1
Graphic Designer/Events Coordinator	1
Chief Executive Officer	1
Total	17

The cost of membership is calculated for different services and is most often based on a percentage of the member agency's annual budget. The financial services fee is 4.5% of the first $500,000 and then 2.8% calculated on anything over $500,000. There are also some additional flat fees factored in as well. For example, an agency with a $1 million annual budget would pay approximately $50,000 in annual membership fees, while an agency with a $4 million annual budget would pay approximately $120,000 to the Association for back office supports. In British Columbia, just the salary for an accountant would cost about $52,000 per year. Any additional staffing resources that each member (with a $1 million budget) would need, this would increase the total staffing expense to approximately $142,000 for the services that the shared back office provides. Sharing back office functions has reduced the expenses of each individual house significantly. It is estimated that each agency is saving approximately $85,000-$90,000 by sharing these back office functions. As a result, additional resources have been freed up to be reallocated to enhance service delivery. The Association makes these calculations on a yearly basis to demonstrate the benefit to members.

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It should also be noted that membership fees do not cover the overhead expenses, but do cover the cost of staff salaries. Central services acquires its own funding for the overhead costs of running the office.

The Association also offers initiatives for group purchasing of food supplies, office supplies, equipment, IT services, insurance and a voicemail system through leveraging buying power with a common vendor. Areas for exploring further efficiencies often result from monthly senior management team meetings and have been identified by staff in each neighbourhood house. The greater number of efficiencies that the Association can find or realize, the lower it can set the annual fees for membership.

Each house has a small administrative group of up to 3-4 people which is about half of what it would be if there was no central office. The interviewee from ANHBC said, "the space for an extra 3-4 workers on site would require approximately an extra 2000 square feet for each house which would cost much more than the members currently pay." 15 agencies needing 2000 square feet of space each is equivalent to 30,000 square feet. Currently the central office is only 6000 square feet of space a difference of 24,000 square feet. Multiplying the space difference by the average price per square foot would allow us to calculate a cost savings inherent to the efficiency of space usage. This is a rough calculation but worth noting nonetheless.

One of the only major drawbacks of having a "central services" or "shared back office" is that the sense of connection with individual houses is diminished. Staff at each house may not know the central office people well enough to always come to them with their issues and challenges. A major drawback expressed by agencies is a perceived inequity in distribution of benefit to the members. Some feel like they are subsidizing the others because they pay more and benefit equally. Also, building consensus in decision-making processes can be challenging, and much easier when organizations provide similar services because their interests and priorities are closely aligned. Another key challenge includes the 'politics' that occurs within the membership that needs to be constantly managed.

Benefits
- Approximately $85,000-$90,000 net savings per member
- Saves members time and money
- Increases due diligence and control
- Access to certified experts in key areas (e.g. CGA, CHRP)
- Lots of learning from each other
- New products and services being developed and shared
- Government relationships are stronger
- More connections and info sharing
- Do more as a group because so much is shared already
- Increased awareness of other agencies
- People can come to one location to get information
- New ideas are more readily generated and shared
- Sites can focus on service delivery
- Staff mobility and job access among member agencies

One of the opportunities that the Association is planning to explore in the near future is sponsorship, and is thought to be a method for increasing revenue in order to reduce membership fees. This would mean the 'shared back office' or 'central services' would be able to offer its members the same fulsome suite of services, programs and supports at a more reasonable price, increasing the cost/benefit for each member. Another area for further exploration that the Association is considering is developing a back office social enterprise. By marketing its basket of services in the local marketplace, the Association will leverage its back office expertise and experience to generate revenue, and in turn, reduce fees to its core members for the same services.

3.4 Addiction and Mental Health Ontario

Two associations for mental health and addictions, Addiction Ontario and Ontario Federation of Mental Health and Addiction Programs, shared a common experience of facing the challenges of recruitment and retention of staff. They both also experience the negative effects of the transformation of health care and decrease in resources. Therefore, they applied to the Ontario government and the CRA and received approval to amalgamate to become one organization called Addiction and Mental Health Ontario.

This amalgamated organization is now collaborating with the Ontario Community Support Association and the Association of Community Health Centres; they have become an unincorporated organization called "Community Health Ontario". Their purpose is to support integration efforts on the ground for mental health and addiction services with health care in Ontario. They are developing tools and advice, hosting forums across the province, and developing policy papers (e.g. rural health) in recognized areas of need, and recently began investigating possible back office efficiencies.

As a result of shared back office functions, areas that have been improved are: communications, providing advice to government and cross-organizational support of each other's work. Importantly, the needs of clients supersede organizational self-interest. This means a principled approach putting aside organizational requirements and self-interest in order to benefit the system as a whole. In this case, the focus of the collaborative mandate was people, community, and the broader determinants of health. In order to identify functions and processes to be streamlined by shared back office functions, the collaborative partners try to address a few key questions: 1) Does it work for people accessing services? 2) Does it support and build our membership to support those people? 3) Does it support the broad determinants of health?

By coming together, the collaborators were able to affect policy change on the provincial level and access infrastructure Ministry of Health Action Plan funding. Mental Health and Addictions is now considered eligible for infrastructure money from the Ontario

government's Ministry of Health. Therefore, a key learning from this example is that other sectors or associations in sectors lobby more efficiently as a bigger group.

Through the merger, staff positions have not been combined or rendered redundant. The partners have informally shared resources on a practical level. There is no excess capacity that can be eliminated. There are some possibilities for the future for positions that may be able to be shared such as reception, and salary differentials for similar positions could be fairly equalized and standardized.

It is important to note that mergers need to invest in the upfront costs of organizational infrastructure: training, skills development, software, IT, and facilities. There will not be immediate cost-savings because a significant investment upfront should be expected. If the venture is successful and well maintained, upfront costs can be recouped in the long-term.

Benefits
- Role efficiencies – clearly defined roles
- Standardization of processes
- IT support
- Facility, space and office management
- Sharing of finance and administration

3.5 Models and Learning

Many of the shared back office initiatives focus on financial accounting and payroll, human resources and legal, while others add training and professional development, records management, language, policy and governance support to their models. Most of the more established initiatives have been around for a long time and have had plenty of opportunity to identify opportunities to improve costs and efficiencies gradually over time. The focus on financial, HR and legal functions seems to be the most appropriate place to start which can generate significant value for members who lack capacity in these areas. Most of the case studies illustrate the need to share and build on the assets and resources of member agencies to increase the capacity of the group. Most examples do not achieve any substantial staffing resource cuts, but rather may increase current HR capacity with some initial investment. Most organizations do not have significant underutilized capacity that can be trimmed. **In fact, most social service organizations are running well beyond their maximum capacity.** In this context, shared back office resource management may be able to transfer costs reserved for individual agency administrative operations to increasing capacity and meeting client demand.

All key informants stressed the need for a memorandum of understanding or a legal contract so there is a formal agreement between all participating agencies. This was a point that many made as a result of having to wade through the onerous process of resolving differences from the lack of clarity in the initial agreement. Consulting legal counsel and retaining a facilitator for the collaborative

building process makes the process more smooth and efficient, while producing the strongest result. **It is therefore essential that any shared back office agreement be clearly defined, and that the decision-making process in the formalization of said agreement seeks broad representation, and that a draft agreement be subject to legal advice.**

Achieving consensus among agencies that offer different services can be challenging because the less services the agencies have in common the more diverse are their interests. This means developing a shared back office model with a settlement service organization is very different than setting up one with a youth arts organization. This is even more complex given agencies that have many areas of service provision. The legal concerns that arise, the HR policies and practices, and the financial needs of the organization will all differ significantly depending on the needs and goals of the organization. In most cases, it is advisable that agencies seek out natural partners with whom they share the most in common to avoid the disparity of goals, perceptions, and working at cross-purposes. In other cases, differences can provide a significant benefit which avoids service duplication, but this relates more significantly to the client-side. **It is therefore essential that consensus be guided by attempting to harmonize among "natural partners" where possible, and where this is not possible due to circumstantial constraints, any buy-in must set a foundation for common ground that will respect the unique needs and challenges of each member agency with respect to a shared back office model.**

Drawbacks are a lack of role clarity or lack of understanding of where supervision should be coming from. Some member organizations with shared back offices must clarify lines of communication and differentiate accountability structures in order to counteract this. Another disadvantage real or perceived is that some organizations don't benefit as much as others out of joint purchasing initiatives. This concern is important because it may deter members from participating in important initiatives that can benefit the group sometimes more than an individual organization. **It is therefore essential that roles and responsibilities are clearly defined and agreed to by all member agencies, and that clear communication protocols are established in this regard.** It should also be noted that cost-sharing agreements for joint purchasing can be adapted on a case by case basis. With respect to cost-sharing, a smaller agency or organization may not have the financial capacity to contribute as much as a larger one, but that in said cases, other trade-offs can be pursued such as non-tangible benefits that are budget-neutral in nature, yet lead to efficiencies in service, reputation building, and information-sharing on best practices.

Advice from Interviewees:
- "When you are doing shared services it doesn't mean the members will be nice"
- "You will need an MOU"
- "It gets messy for multi-service agencies"
- "Don't analyze too much"
- "Just do it – commit and make it happen"
- "Partner with other agencies that have some capacity"

It is very clear that shared back office initiatives must balance the need to generate value with the limited capacity. Doing everything in every service area is much too complicated and overwhelming for most. The alternative is to start small and focus on offering limited services that are well-defined and generate value for members.

4.0 Joint Purchasing

4.0 Joint Purchasing

4.1 Definition

Joint purchasing is a term that refers to the practice of groups whose members procure needed products and services together. By combining their purchasing power, groups buying in bulk are able to achieve considerable cost savings. Many group buying clubs have taken advantage of the well-known 'economies of scale' by consolidating their capital resources to negotiate a better price to satisfy their needs. In this case, more product/service often means less cost.
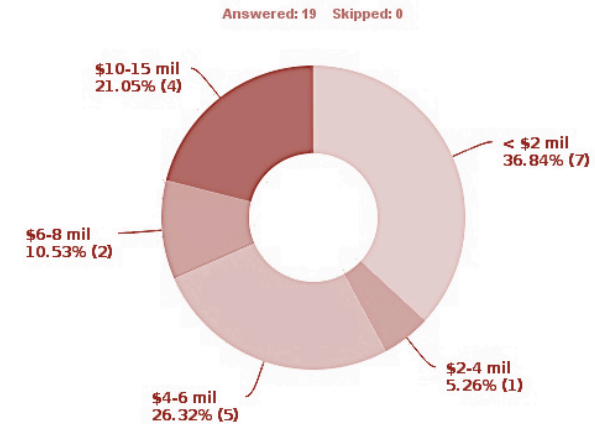
4.2 Quantitative Survey Results

As a part of this research a quantitative survey to collect information on the purchasing power of TNC members was conducted. The survey was developed by a small advisory team and a project lead from the qualitative portion of this study. The survey resulted in 19 out of 34 member agencies providing their responses, a 56% response rate. What follows is a detailed account and analysis of the major findings from the survey. All information was kept anonymous for privacy purposes.
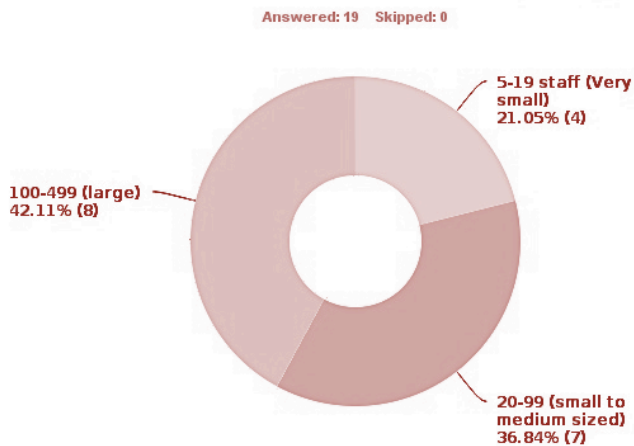
Limited demographic information was collected on the survey respondents and their organization. Each respondent was asked to indicate a range of the agencies operational budget, a range for the number of staff, number of funders, number of sites for lease and/or rent.

The fact that most agencies had a sizeable operational budget was a significant finding. With 21% of respondents having a budget over $10 million and the largest segment having less than $2 million, the range of operational budget size varied considerably. However, more respondents had budgets over $2 million than had less than that amount. Taking a very conservative estimate, the 56% of TNC members who responded have a minimum combined budget of approximately $80 million. If this number was representative of approximately half of the TNC membership, the whole membership operational budget could be conservatively estimated at $160 million. This represents significant purchasing power, although a very large percentage of the overall operating budget for nonprofit agencies is known to consist of staff salaries. This means that any actual expense item will need to be assessed individually.

Q1 Please indicate the operational budget of your agency for the last fiscal year (please choose a range)

Answered: 19 Skipped: 0

$10-15 mil 21.05% (4)
< $2 mil 36.84% (7)
$6-8 mil 10.53% (2)
$2-4 mil 5.26% (1)
$4-6 mil 26.32% (5)

Q2 What is the total number of staff for your agency?

Answered: 19 Skipped: 0

5-19 staff (Very small) 21.05% (4)
100-499 (large) 42.11% (8)
20-99 (small to medium sized) 36.84% (7)

Numbers of staff also varied considerably among TNC members with most respondents (42%) indicating that they have over 100 staff and the second greatest number of respondents (36%) indicating that they have between 20 and 99 staff. The range of staffing sizes, which was used for this survey was based on past surveys done on the voluntary sector by Imagine Canada.

In addition, to both the operating budget and total number of staff the survey also asked respondents to indicate the number of funders that they received funding from. The greatest number of respondents (58%) reported receiving funding from under 12 sources and 26% of respondents had 13-30 sources of funding. Another 16% of respondents received funding from over 30 different funders. The survey didn't specifically request respondents to break up information based on public and private sources of

funding or stipulate percentages from different levels of government. Also, the survey didn't ask respondents to relate the specifics of their funding portfolio to their overall operating budget as a percentage, which would have helped get a sense for their "revenue blend" or level of funding from different sources.

Many TNC members may operate out of multiple locations across the city and for this reason information was collected on the number of locations. Respondents were asked to indicate the number of owned and leased locations out of which they operated. The sum total of 'owned' locations for all 19 respondents to the survey was 10 and the total number of 'leased' locations was 78. Just under an 8:1 ratio of leased to owned properties for just over half of the TNC membership who responded to the survey. This is a significant finding, which is mostly applicable to the potential joint purchasing of property maintenance services.

Potential starting points for joint purchasing were explored through the survey and those areas were identified at the outset as: financial accounting and audit, insurance, legal, office supplies, phone services and consulting. These were selected from a larger list of other possibilities (including property maintenance, IT and HR) so as to keep the survey manageable for respondents. What follows is a summary of the key findings by service area:
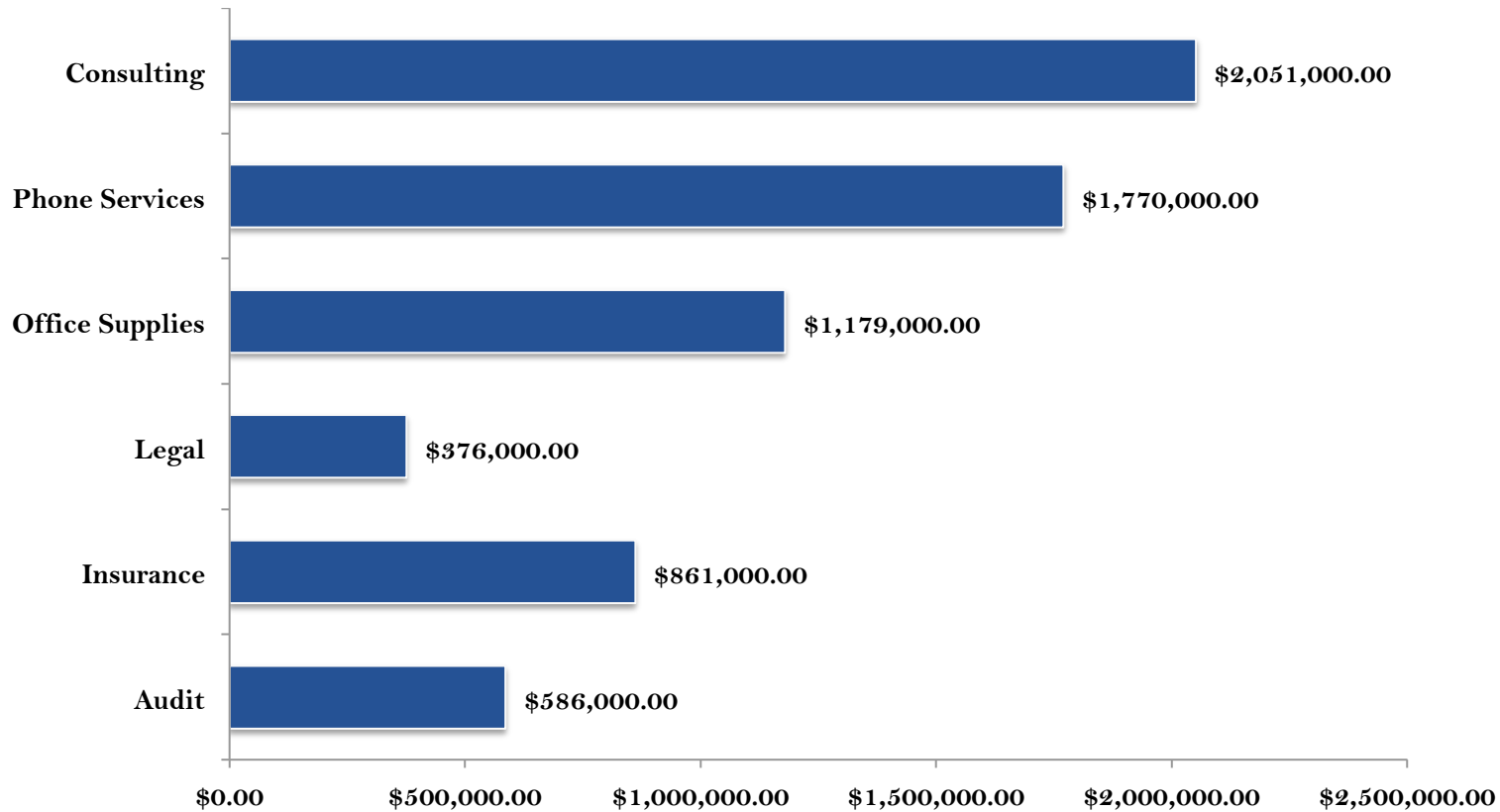
Service Area	Key Findings	Combined Purchasing Power (by respondents)	Estimated Combined Purchasing Power (by TNC membership)
Finance and Audit	• 50/50 split between March 31st and Dec 31st as year end • Audit fees ranged from $3,500 to $45,000 • 83.3% purchased audit services that were assurance related • 33.3% purchased audit services that were consulting oriented • Annual audit was the most common service purchased in this area • A list of auditors was collected that varied • Most organizations had the same auditor for over ten years (in fact only 5/18 respondents said that they had been using the same auditor	Total audit fees paid by 18 respondents is approximately $310,000 *Sample is representative of over 50% of the TNC membership	$586,000 *This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did

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	for less than ten years)		
Insurance	• 100% of respondents buy Director Liability Insurance • 100% of respondents buy General Liability Insurance • 50% of respondents buy Commercial Liability Insurance • Other types of insurance listed by a few included: Contractual Liability, Non-owned Automobile Liability, Tenants Legal Liability, Voluntary Compensation, Products and Completed Operations Liability, Property and Business Interruption, Boiler and Machinery Breakdown, Comprehensive Dishonesty Disappearance and Destruction, Sexual Wrongdoing Limited Liability • 82% of respondents said they purchased all their insurance products through the same vendor/company	Total expenditure from 15 respondents was approximately $380,000 *Sample is representative of less than 50% of the TNC membership	$861,000 *This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did
Legal	• 71% of respondents purchased legal services from one provider and 29% from more than one provider • A list of insurance providers was collect with very few commonalities • 44% of respondents said that their legal expenses were unusually high last year due to a variety of reasons including: collective bargaining, labour relations, reviewing leasing agreements, employee litigation and HR related.	Total combined expenditure of 17 respondents is $188,000 *Sample is representative of 50% of the TNC membership and may vary significantly from year-to-year	$376,000 *This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did
Office Supplies	• 76% of respondents purchased their office	Total expenditure for 15 respondents is $520,000	$1,179,000

	supplies from Staples, 35% of respondents purchased their office supplies from Grand and Toy, 18% Office Central • 6/17 respondents or 35% said that they had just switched to Associum's GAINS group purchasing program to source their office supplies at a discount	*Sample is representative of less than 50% of the TNC membership	*This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did
Phone Services	• 79% of respondents purchase their landline phone service through Bell Canada, 15% through Rogers, and 5% through a VOIP system • 39% of respondents purchased their cellphone service through Telus, 17% through Bell and 11% through both Rogers and Fido	Total expenditure for 15 respondents for phone services (including both landline and cellular phones) is $475,000 *Sample is representative of less than 50% of the TNC membership	$1,077,000 *This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did
Consulting	Consulting service regularly purchased by respondents in order of rank: 1. Information technology (74%) 2. Strategic planning (63%) 3. Research and consultation (42%) 4. Evaluation (37%) 5. Financial (26%) 6. Proposal writing (16%) 7. Program design (5%) **Note:** the total percentage value does not add up to 100% because the question was a choose all that apply	Total expenditure for 15 respondents for consulting services is $905,000 *Sample is representative of less than 50% of the TNC membership	$2,051,000 *This is an approximation and relies on the assumption that members that didn't respond to the survey pay on average the same amount as members who did

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The total purchasing power of TNC members in the areas that were focused on for this research can be represented in the following:

Category	Amount
Consulting	$2,051,000.00
Phone Services	$1,770,000.00
Office Supplies	$1,179,000.00
Legal	$376,000.00
Insurance	$861,000.00
Audit	$586,000.00

Another significant finding of the survey is that 32% of respondents are already doing group purchasing and most of them have done this through the GAINS plan through Associum (more information can be found at the following link: http://www.associum.com/gain/)

4.3 Key Findings

Based on the findings from the survey there may be opportunities for joint purchasing in areas of insurance, phone services, office supplies and audit. However, most of these joint purchasing areas may be explored through other group procurement programs. For example the Toronto Central LHIN is working on developing a group purchasing portal for IT services, and Associum has developed their own relationship with suppliers in many of the areas mentioned and can offer higher cost savings to groups based on their combined purchasing power. There may be a significant advantage to partnering with groups that are already practicing joint purchasing and have an established membership. The greater the bulk purchase, the more the cost savings, so if cost savings is what the TNC membership would like to achieve, then surveying existing opportunities is more efficient than pursuing initialization.

Consulting may be another area that the association may be able to negotiate more affordable service, especially in IT consulting and strategic planning. It may make sense to hire staff and offer the consulting services in-house or outsource these services to a single supplier and negotiate a bulk rate, which will realize percentage reductions in the cost of purchasing the service.

It is recommended that further information be collected through a series of short, focused surveys, which collect data in specific areas for shared services (including property maintenance, IT and HR). Each survey should be focused on collecting all the relevant information on only one area for joint purchasing. This would keep the survey size and number of questions to a minimum while maximizing the opportunity for moving forward.

It was hoped that the current survey would result in the identification of some specific areas where joint purchasing opportunities might be further explored. Based on the data collected through the online survey it would be advisable for TNC to independently look at further exploring finance/audit, legal services and IT consulting to start, and adding property maintenance and human resources management in the future. Phone services, office supplies and insurance could be bulk purchased through an existing service provider as mentioned above. IT/IM software and hardware may be purchased in bulk through the initiative of the Toronto Central LHIN called the Toronto Community Information Infrastructure and the program to develop a Community Shared Service Collaborative.

Joint Purchasing Partnership Opportunities
1. Plexxus
2. Shared Services West
3. Associum
4. Shared Support Services Southeastern Ontario (3SO)
5. PROcure
6. Mohawk Shared Services
7. Healthcare Materials Management
8. Ministry of Finance/Ministry of Government Services
9. Procurement Experts
*This table has been reproduced from information gathered by Reconnect on behalf of the Toronto Central LHIN

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5.0 Summary of Learning

5.0 Summary of Learning

Shared Service Models are Context Dependent – all the examples that have been researched have emerged from a context and an organizational history. The shared service models are relevant and successful because they are based on a common need identified by multiple organizations. The common organizational need is context dependent and could shift over time. In some cases, a shared service model may only be effective within the particular context that gave rise to it in the first place. This also implies that shared service models, although theoretically similar are very different in each instance. The lesson here is for collaboratives to cautiously analyze what elements of various shared service models may be adapted for their particular set of needs.

Shared Services are Inter-Related – consortium bidding may naturally lead to shared back office initiatives, and shared back office initiatives may lead to joint purchasing. Exploring shared services in one form may open up conversations for others. In short, in cases where an existing collaboration framework is successful, it is highly probably that other opportunities for collaboration may be sought. Not only do those that successfully collaborate want to do it more, but they want to collaborate on different levels. This means that shared service models evolve to create higher levels of efficiency and benefit for their members. The phases of development corresponds to greater degrees and depth of trusting relationships being forged and reinforced over time.

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Effective Collaboration Requires Selflessness – echoed throughout many conversations were the words "you have to get out of each other's way sometimes". Most key informants expressed a need for individual organizations to put their own interests aside at times to advance the interests of the broader group. Examples would include an organization not collaborating on a particular project while still providing support to the others or at times investing time and energy into developing joint purchasing for things that don't have as much direct or substantial cost savings for themselves as compared to others. This does not mean that organizations need to be completely altruistic or intend to collaborate with no potential benefit in sight. A balance of organizational self-interest and a "for the common good" attitude must be maintained. Senior leadership who can demonstrate a selflessness on behalf of their organization will enable further opportunities for their organizational benefit. Such acts of solidarity honour the broader commitment to providing social services of multiple types. Moreover, as priorities and circumstances shift over time, the organization whose interests were set aside temporarily to aid another organization may become the recipient of assistance from that organization at a later date, thus allowing for reciprocity.

Collaboration is Resource Intensive – the cost of collaboration setup is significant and initial investment of time and energy to work to develop a strong understanding of roles, decision making structures and operating principles is essential to success. Collaboratives that don't spend the time to work through differences and derive clarity from confusion, are the ones that tend to dissolve the partnership and come away with a negative perception. If the dynamic among core members is not one built on the virtues of organizational integrity, then the collaboration will begin to suffer and over time any mistrust and misgivings will only increase. This means that organizations thinking of collaborating should not take the commitment lightly and should be prepared to do the hard work necessary to achieve strong and healthy partnerships.

Cost/Benefit is Not Immediate – most shared service models, with few exceptions, have very little information on the specific cost/benefit they provide. Most have not done a thorough analysis or tracked costs and cost savings and thus do not have the information to make a well-informed judgment about the cost benefit. The most established shared service models are the ones that had the clearest ideas of the specific fee structures and cost savings to the organizations that had come together. Most of the newer shared service models in existence had not yet realized substantial cost savings. In other cases where the organizations felt they had acquired some cost savings, they were not in a position to provide any specifics as these had yet to be tracked. This highlights the need for more rigorous evaluation at the outset, as well as the need for building in ongoing tracking processes to document the many qualitative and quantitative benefits over time.

Focus on Relationships not on Cost Savings - most groups that successfully work together have been doing so for years and it took them years of working through their many differences to build and maintain a high level of trust, establish clarity of roles,

confirm organizational integrity, demonstrate understanding, and develop a set of shared principles. Those who are short sighted and are looking for immediate cost savings without expending the requisite effort are sure to be disappointed in exploring shared services. Paradoxically, those that develop shared service models based on a desire to build stronger relationships and find ways to make greater impact together are the ones that have experienced the cost benefits of their years of hard work. Shared service is not a "quick fix" or "silver bullet," and requires considerable commitment and follow-through before one can clearly identify budgetary progress. **In short, be prepared to invest time and work at it.**

Staying Mission Focused is Key – having a clear focus on the mission without deviation makes it easier to develop shared service models and guides decision making throughout. Those groups that do not develop a strong, shared mission and vision usually get caught up in power struggles and personal differences which hinder success, resulting in the breakdown of trust-based relationships over time. In fact, most successful models have developed and maintained a strong, shared mission and vision, keeping the group on track while it navigates the many struggles inherent to these sorts of collective undertakings. The fundamental commitment of the collective mission is what makes the shared service model worth all the time and energy required, until the real, but long-term, operational efficiencies emerge.

Demonstrate Sector Leadership by Getting Organized – many of the associations or networks have acquired additional funding and successfully advocated for policy change by taking the initiative and responsibility for mobilizing their sector allies. Convening conversations and developing 'communities of practice' that can begin to communicate about shared interests, community priorities, service gaps, coordinated community service models, and shared service efficiencies is valuable to the sector. Mobilizing mission-aligned stakeholders can be powerful in effecting broader systemic change. Some groups have effectively lobbied for changes in provincial legislation based on the size and power of their membership, and others have acquired substantial financial resources to drive social innovation for broader impact, which in turn results in a higher profile and well-earned accolades. This form of sector leadership is characterized by taking responsibility for the system of community services itself and is generally recognized today by those that attempt to enable the social innovation landscape.
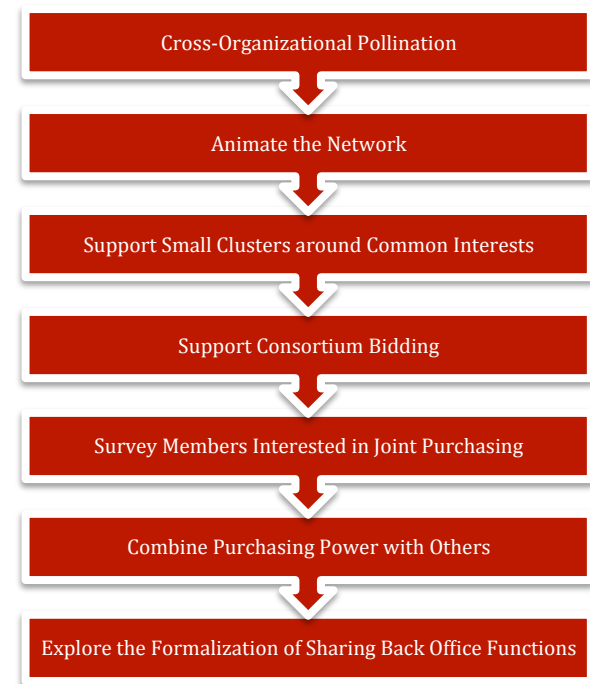
6.0 Recommendations

6.0 Recommendations

6.1 Critical Path for Toronto Neighbourhood Centres

1. **Cross-Organizational Pollination –** shared services usually start with capacity building, resource sharing, and cross-organizational networking. The more frequently individuals in organizations can talk and relate, the more they will find commonalities that will foster relationships and mutual understanding. Awareness of each other from across organizational hierarchies will enable shared service opportunities to emerge.

2. **Activate the Network –** to enhance communication across roles and functions, means that organizations begin to develop trust and naturally explore shared services and efficiencies. In order for this to happen the TNC community will need consistent activation. A variety of exciting opportunities to connect and engage members in knowledge sharing will need to be generated. A vibrant network must get people out, connecting and communicating from across the membership.

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3. **Support Small Clusters around Common Interests -** start identifying priority areas that are shared by clusters forming around improving collaborative service delivery. As groups find areas of interest, they should be encouraged and supported to pursue shared learning and resource development, access funding and design new initiatives. The idea here is to create the conditions for a culture that continually incubates new and improved service delivery models, which drive new joint ventures to be pursued, driven by emerging leaders.

4. **Support Consortium Bidding -** pilot projects in common service areas where there is energy, interest and opportunity for improvement and need for additional resources. Make sure it is member led and enhances trust building among members. Some associations provide small grants to members to explore shared services in smaller groups as a way of testing ideas. Concepts that receive funding and demonstrate desired social impact can then be adopted more widely by other participating agencies. TNC could consider providing expertise and support to coordinate and prepare collaborative funding proposals.

5. **Survey Members Interested in Joint Purchasing** – develop a set of tools for surveying members based on the acknowledging members' differences. Focus on 1-2 areas per year gathering detailed information and feedback, employing this information to identify opportunities for cost savings. TNC could add one to two substantial joint purchasing opportunities per year and continually negotiate better buys for needed services. It would be advisable to base these studies on areas that have not already been developed by other group procurement initiatives.

6. **Combine Purchasing Power with Others** – make use of other combined purchasing initiatives/services. Do not try to own or retain the purchasing power of TNC members unless no other option exists. Create relationships with procurement specialists for shared services that are not available to members. Link interested members through TNC to other joint purchasing initiatives, (e.g. Associum). For products and services that are not available through other joint purchasing initiatives, TNC should develop its own relationships and negotiate percentage decreases on bulk purchases, which can be distributed to members in cost savings. Make these joint purchasing opportunities voluntary and wherever possible refrain from asking members

| Cross-Organizational Pollination |
| Animate the Network |
| Support Small Clusters around Common Interests |
| Support Consortium Bidding |
| Survey Members Interested in Joint Purchasing |
| Combine Purchasing Power with Others |
| Explore the Formalization of Sharing Back Office Functions |

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for a long-term commitment. This will ensure members are participating because they are receiving real value.

7. **Explore the Formalization of Sharing Back Office Functions** – bring together a group with a high level of trust and shared values that has a history of successful cooperation. Work to develop 1-2 functions that could be shared without creating redundancy in the system. Focus on Finances, HR and Governance to start. These seem to be the areas where others have had success initially. Use consortium bids as a way of fostering connections and developing trusting relationships with a core group so as to have a foundation with which to pursue some back office sharing down the road.

7.0 Appendices

7.0 Appendices

7.1 Bibliography

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Deloittle & Touche LLP. (2013, January). *Shared Services Approach Positioning for Success: Workshop # 2 Outcomes.* **[PowerPoint Presentation as part of workshop series]**

Deloittle & Touche LLP. (2013, January). *Shared Services Approach Positioning for Success: Workshop # 3 Outcomes.* **[PowerPoint presentation as part of workshop series]**

Deloittle & Touche LLP. (2013, February). *Shared Services Approach Positioning for Success: Workshop # 4 Outcomes.* **[PowerPoint presentation as part of workshop series]**
This four-part presentation provides a practical illustration of the process required when considering the adoption of a shared services model. Firstly, this presentation details the initial assessment stage whereby an understanding develops around the operational and administrative functions of the organizations in question. Secondly, options are designed for the sharing of back-office function. A useful grid is provided which details different types of purchasing categories and options for shared service models for each category with options for both 'collaboration' and 'consolidation' activities. Lastly, a practical high-level roadmap is provided detailing the processes, timelines and activities required to implement the sharing of services and function.

Egeh, H. (2013). *Consortium Bidding, Joint Purchasing & Shared Back Office Collaboration Models and Best Practices.* **Toronto, Ontario: Canada. Toronto Neighbourhood Centres.**
This research paper is an extremely useful, practical resource for any organization considering or already involved in collaborative initiatives and partnerships providing a discussion on collaboration and partnerships with particular focus on consortium bidding, joint purchasing and shared back office. This paper details different consortium models; the continuum of intensity when collaborating; the conditions required for successful collaboration and best practices for successful partnerships. A number of practical examples of partnerships are also provided with details of successes, challenges, key learnings and recommendations.

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This research paper is an extremely useful tool when considering radical efficiency within public services. This paper is a two-part resource, firstly providing a detailed and accessible explanation of radical efficiency models and the reasons why such a model is required in the public service. Secondly, this paper contains ten practical examples of collaborative measures and shared services at work in the public and non-profit sector. These case-studies are focused on a wide range of public and social issues including crime, housing, mental health, environment and unemployment.

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Toronto Central LHIN. (2013). Shared Service Working Group Proposed Terms of Reference. Retrieved from
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This guide contains proposed terms of reference for the Toronto Central Local Health Integration Network (TC LHIN) Shared Services Working Group which has come together with the objective of recommending and implementing an optional shared

service support model. This guide outlines the objectives, responsibilities and decision-making processes of the group and may act as a potential reference for other organizations seeking to develop a similar Working Group.

Toronto Community Information Infrastructure. (2013). *TC LHIN Community Shared Services.*
This presentation provides a user-friendly example of a Community Shared Services Framework which may be applicable to organizations and groups seeking to develop a similar framework. This presentation provides examples of purchasing categories; Subject Matter Experts and potential partnership opportunities in Ontario; details the functions and levels of use of CSSC and also provides two useful examples of common purchasing categories (Printing services and IT services) within the different levels of CSSC.

Toronto Community Information Infrastructure. (2013). *Toronto Community Information Infrastructure Survey.* **Retrieved from** http://tcii.reconnect.on.ca/shared-services-/

7.2 Toolkits and Resources

AoC Procurement Development Team. (2010). *The Pocket Guide to Shared Services in Your College.* **Association of Colleges. Retrieved from** http://repository.excellencegateway.org.uk/fedora/objects/import-pdf:16733/datastreams/PDF/content
This practical guide details ten tips on how to successfully initiate innovative shared service solutions to an organizations; highlighting areas such as trust, vision, realism, choosing the right partner (s) and innovation.

Bubel, A., Cabaj, B. & Soots, L. *Non-profit Shared Space Toolkit.* **City of Edmonton. Retrieved from** http://www.edmonton.ca/for_residents/Non-profit-SharedSpace-Toolkit.pdf
This toolkit is a truly hands-on practical resource focusing on ideas and models for developing secure and affordable spaces for non-profit organizations focusing on shared space and co-location.

Castlerigg Consulting. (2009). Shared Services Toolkit. Cumbria County Council. Cumbria: United Kingdom. Retrieved from http://www.cumbria.gov.uk/elibrary/Content/Internet/536/40080154141.pps%E2%80%8E
This toolkit is a practical, user-friendly presentation, which outlines the fundamental considerations for any organization looking at adopting a Shared Services approach. Each slide provides practical questions, measures and initiatives for the reader to consider. A number of handy tips are provided along with detailed information and guidance around choosing a delivery model; designing a shared service; project management; legal advice; communications; cultural change and supporting staff and other personnel during organization changes.

Compassion Capital Fund National Resource Center. (2010). *Partnerships: Frameworks for Working Together – Strengthening Non-profits.* **U.S. Department of Health and Human Services. Retrieved from** http://www.acf.hhs.gov/sites/default/files/ocs/partnerships.pdf
This report is a useful resource containing detailed but practical information around partnerships across non-profit organizations. Along with this practical information are a number of handy tools such as a checklist and tips for starting the partnership discussion and process; checklist and tips for setting up and maintaining the partnership; case-studies; worksheets and useful resources with questions and templates for evaluation and monitoring of the partnership.

Snavely, K. & Tracey, M.B. (2002). Development of Trust in Rural Non-profit Collaborations. *Non-profit and Voluntary Sector Quarterly 31*(1). **pp. 62-83 Retrieved from** http://nvs.sagepub.com/content/31/1/62.full.pdf

This article discusses the concept of trust in non-profit collaborations. This article outlines the importance of trust in this type of partnership and the many factors that affect the building of trust and relationships, these factors are illustrated in an example of the relationships between two non-profit leaders in a rural region in the United States.

Wolff, T. (2002). *Evaluating Community Collaborations.* **Human Interaction Research Institute. Retrieved from**
http://www.tomwolff.com/resources/backer.pdf
This paper details why collaborations need to engage with the evaluation process and outlines methods of evaluation while also describing evaluation tools and providing worksheets and practical resources.

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