tpi
THE PARTNERING INITIATIVE

Partnership value framework

TPI distinguishes two types of value creation:

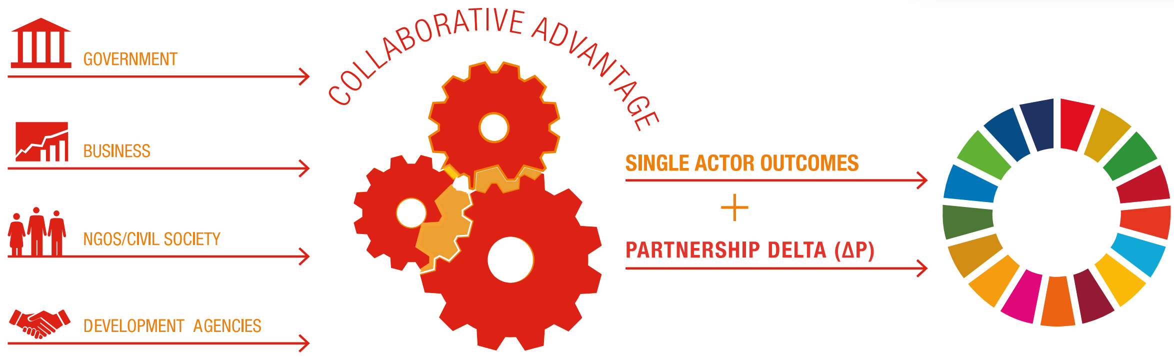
1. **The value-add of the partnership as a whole** (the intrinsic *Collaborative Advantage* partnerships can bring, and the *Partnership Delta* – the resultant outcomes delivered beyond single actor outcomes – i.e. delivering more than the sum of its parts);
2. **The value each individual organisation gains**

All types of partnerships must deliver a net benefit to the partners (i.e. value after all input and transactional costs). Level 2 and 3 partnerships also need to demonstrate:

- There is sufficient alignment of interest between organisations and sufficient compatibility between them;
- There is a clear *Collaborative Advantage* (thereby giving a strong reason to partner) which should result in a significant *Partnership Delta*.

Partnerships should be developed and run to maximize the collective value they deliver through their Collaborative Advantage, and the gains made by the individual partners.

Value-add of the partnership as a whole



1. **Combining diverse resources, approaches and thinking:** leads to more innovative approaches, including market-based solutions
2. **Convening diverse, holistic range of actors:** Developing more workable, context-appropriate, cross-cutting and implementable approaches with wider buy-in from key stakeholders
3. **Legitimacy and knowledge to create norms, standards and policies**: Developing and disseminating norms to raise standards / create a level play field across a whole sector
4. **Collective knowledge-exchange and learning:** Develop the state of the art and raise the bar of knowledge and capacity
5. **Weight of action:** multiple resources effectively focussed on a single outcome to achieve required critical mass (e.g. advocacy, polio eradication)
6. **Combining essential resources**: (including non-purchasable resources) coordinated / collective action from multiple players can deliver all-of-society approaches and system transformation
7. **Exploiting synergies:** aligning / coordinating action and/or sharing of resources leads to economies of scale; greater efficiency / impact
8. **Combining delivery capacity / investment:** potential to deliver at scale; share risks to deliver where otherwise too risky

Key: Collaborative advantage: Partnership Delta

Value to an organisation

1.MISSION VALUE		2.ORGANISATIONAL VALUE	
A	B	A	B
Direct achievement of strategic objectives	**Contribution along pathway towards strategic objectives**	**Leveraging resources to or for the organisation**	**Intangible/indirect gains that improve capability for future delivery**

1. Mission value

a) Direct achievement of strategic objectives

For an NGO this could include delivery of specific programmatic or advocacy objectives, with direct or indirect impact on intended beneficiaries. For a company it might be gaining commercial value through new business opportunities, or to ensure the sustainability of a supply chain.

b) Contribution along pathway towards strategic objectives

A partnership may contribute only indirectly towards an organisation's mission. For example, the partnership might support the adoption of standards or behaviours that indirectly facilitate or contribute to the achievement of a particular objective. Or it might support an enabling environment or systemic shifts that allow a problem to be tackled more effectively in the future.

2. Organisational value

a) Leveraging resources

Resource gains can include financial gains in the form of funding or cost savings that can be made (for example through sharing services). Organisations might also receive non-financial material gains such as in-kind contributions of goods, services or volunteers.

b) Indirect and intangible gains

Organisations may also enter partnerships to achieve a number of non- tangible benefits. These might include, for example, social or political capital; networking and connections; increased legitimacy; reputational benefits; influence and positioning; knowledge and capacity building; innovation in thinking and employee morale and retention.

Costs to an organisation

Transaction costs	**Implementation costs**		
	Staff time	'Hard' costs	Non-tangible
Partnerships can take a significant amount of time both to develop and to manage, requiring staff time, social and political capital and some 'hard costs'	All staff time plus overheads / full cost recovery	Money and other resources with a financial value (e.g. travel, office space, equipment etc.)	Social and political capital used in implementation

NET ORGANISATIONAL GAIN = VALUE – COSTS (– Opportunity cost)