



Assimilation of Existing Programs or Organizations Considerations for Decision Making

Occasionally CCE associations are approached to assume management of existing programs or organizations in an effort to reduce costs, or to provide stability to the organization or program in question. Typically the initial consideration is whether or not this area of programming is a “good fit” and whether or not it is consistent with the mission of the association. Often the “fit” appears to be there in broad terms, but upon further reflection, there are hidden costs to the association or to its programming reputation in the community. Still, the opportunity to reach new audiences and to take on a larger funding base and payroll are tempting.

Examples of this kind of activity include management of educational facilities, such as camps or other educational sites, programs of county government, grant sponsored programs to be incubated, and other programs operated under the umbrella of Cornell Cooperative Extension. In considering these opportunities, only those with exceptional mutual benefits and the highest degree of “fit” should be pursued. The following are questions to answer before agreeing to assume sponsorship of an established program or organization:

In what ways does this program effort specifically improve the connection with campus resources and extend those resources into the community?

At the center of our Cornell Cooperative Extension local presence is a working connection between scholarship and application of knowledge to solve real problems in the community. This is done through partnerships using resources from Cornell and other Land Grant Universities. While other program efforts may be directed at similar audiences, the extent to which the program design can incorporate the value added by faculty and University connections will help determine its congruence with the organization’s central purpose.

In what ways does this program effort contribute (specifically) to the existing program goals of the association?

The current program plan is often based upon the resources available. How will adding this program to the association’s program mix add to the accomplishment of these goals? How does this effort fit into the strategic direction of the association? Are there any program goals that will be at cross-purposes with this program? Is the program educational? Does it fit within the overall CCE mission?

Are there any inherent conflicts of interest or commitment in assuming this sponsorship?

Conflicts of interest can be with content, with roles, and with credibility within the community. Does this program deal with a subject area appropriate to the association? Does it include advocacy for particular political or community of interest positions? Might it alienate or strain relationships with existing audiences? Might participation negatively affect CCE's standing in the community as a credible entity that is working in the collective interest of the community? Might the association be seen as opportunistic and self-serving by other community agencies or organizations? Does this partnership bring value to the statewide system, which will in part fund it?

Has there been a true cost analysis?

True costs would include:

Value of Fringe Benefits

Cost of HR support/benefits administration, etc.

Cost of additional communication and planning

Cost of financial management support

Cost of provision of space

Opportunity cost for staff involved (if they do this, what other opportunities will they miss?)

Would the opportunity be as attractive if the cost for fringe benefits of employees was borne by the association?

What form of governance does the organization currently have? What would be the plan to align that structure with Cornell Cooperative Extension?

Any organization with an existing board of directors would have to agree to different terms of governance. To sponsor an organization with a separate form of governance and separate financial accountability is a recipe for much frustration and potential exposure to more serious problems. If the CCE board agrees to sponsor the program, it also agrees to take legal responsibility for anything that happens within that organization. It is important that authority for financial, personnel, and legal decisions rest with the body that has the accountability for it.

What potential risks does the program provide for the association?

Do the program activities create additional liability? Our insurance coverage premiums are based upon a limited range of exposure and program activities. Will the insurance carrier cover the new activities or will alternative coverage be required? Will the program be able to comply with internal financial controls procedures? What steps would need to be taken to minimize the risk of financial mismanagement?

What (if any) issues surrounding existing employees need to be considered and resolved as a part of this change?

Does the culture of the organization match that of CCE? Are there performance issues with any of the staff? Do they have a reputation for working well together? Are there any residual time-consuming personnel problems? Are there any issues needing settling with transfer of benefits, etc.?

What is motivating this organization to consider new management?

Why the change? If mainly financial, see true costs above. What programmatic synergies might be gained? Who will gain? Who will lose?

Is there a clear exit strategy in the event that things don't work out?

Some programs were initially sponsored by CCE as a way to incubate the effort until they were strong enough to spin off on their own. Twenty years later, the separation never took place; the program is seen as an albatross that keeps the association from pursuing other new and unfolding opportunities. It is a burden because it has a strong political constituency with allegiance to the program but without a similar allegiance to the sponsor. At that point, breaking ties may cause serious political damage. What is the exit strategy for this program?

Conclusion: While many advantages may accrue from partnering with other programs and organizations, real present and future costs must be evaluated carefully against any benefits that may be realized. Caution should be used in basing financial plans on the provision of hidden assistance from other sources, such as Fringe Benefits.