

## **PARTNERING ESSENTIALS™**

### **ENGAGING A PARTNERSHIP BROKER TOOL**

#### **WHO FUNDS THE BROKER?**

Often where partnership brokers are engaged and funded totally or in part by one party there can be a perception of possible undue influence or possible 'funding capture' of the broker by that partner.

The following tool is provided to assist partners in selecting the right funding option for engaging a partnership broker.

- Should we engage a partnership broker?
- What are the roles and specific activities that we require the broker to undertake?
- Should this person be internal or external?
- If internal which party will provide and fund?
- If external what would be the estimated cost of this engagement?
- Can each partner fund this cost equally?
- If not, what is the capacity of each party to fund this role?
- How does funding for the external broker fit within the overall resource requirements for the partnership?
- What other sources of funds may be available to fund the broker role?
- Is it appropriate to engage a broker through an independent not for profit organisation?
- How may the funding approach adopted by the partners impact on the integrity and independence of the broker?
- How do we ensure that the funding approach does not impact on the partnering principles of equity and transparency?
- Who should contract with the broker on behalf of the parties?
- What review mechanisms should be in place to ensure that the broker adds value to the partnering process

Funding Options	Advantages	Disadvantages
<b>Equal contributions from each Partner</b>	<p>All parties committed to engagement of partnership broker and prepared to share risk</p> <p>Partnership broker clearly accountable to all parties</p> <p>All parties will want to understand role of external broker and perceived value add</p>	<p>May disadvantage party with less funds available</p> <p>May create more administration in invoicing and payment processes</p>
<b>One Partner who has capacity funds all broker costs</b>	<p>Able to engage a partnership broker for the benefit of the partnership</p> <p>May be able to engage broker when other parties are not yet committed to this role</p> <p>Opportunity to develop trust and openness if process managed effectively</p>	<p>May result in perception of 'broker influence or capture' by the funder</p> <p>Does not require total commitment from other parties which could impact on outcomes from activity</p> <p>May not encourage dialogue about role and benefits of having an external broker</p>
<b>Funding by more than one partner but based on capacity to pay</b>	<p>Able to engage a broker to assist all parties</p> <p>Requires open negotiation as to various contributions to funding of broker</p> <p>Requires discussion and clarification of role and value add</p> <p>Enables balanced sharing of risk related to capacity to pay</p> <p>More likely to have a balanced agreement about sharing of all resources for the partnership</p>	<p>May result in perception of 'broker influence or capture' by party who funds major proportion of broker costs</p> <p>May create more administration in invoicing and payment processes</p>
<b>Funds are provided by a donor organisation who is not a party at the table</b>	<p>Reinforces independence of broker</p> <p>Requires clear funding and contractual arrangements to be in place</p>	<p>Could result in distancing of broker from actual accountability to partners</p> <p>May create additional administration</p> <p>May result in undue influence from party outside of partnership</p>
<b>Use Independent Not For Profit organisation at no cost to partners</b>	<p>Reduced cost to partners</p> <p>Perception that broker will not exploit the situation as they are contracted through an independent body</p> <p>Broker not likely to be driven by profit motive or sustaining a business</p>	<p>Possible lack of commitment to engagement of partnership broker as no commitment to funding required</p> <p>May create perception of undue influence or capture by organisation depending on its role and stakeholder relationship with the partners</p>