

A group of seven diverse children of various ethnicities and ages are smiling and posing on a grassy field. They are arranged in a cluster, with some sitting on the grass and others standing behind them. The background is a soft-focus outdoor setting with trees and sunlight.

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**OPTIMIZING OPPORTUNITIES  
FOR COLLABORATION  
WITHIN THE CPF NETWORK**

**A discussion paper prepared for  
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Canadian Parents for French National<sup>1</sup> (CPF) commissioned this brief discussion paper in the context of a discussion of collaboration opportunities to amplify impact. This paper's aim is to highlight leading practices in networked organizations.

In the first section, the paper addresses issues of definition and paints a broad context of the forces that influence networked organizations in the not-for-profit sector today. The paper's second half explores leading practices in networks that champion equity through systems change.

Networks have significant benefits and important flaws. We will explore the pros and cons of networked structures and explore options to strengthen networks. The paper will illustrate leading practices with examples drawn from CPF's journey to build trust and to improve its network. While this discussion paper is intended to invite reflection and to spur discussion, it does not propose an agenda for change.

## WHAT IS A NETWORK?

**Many charities and not-for-profits have formal relationships with others that share in the same name. Networks are unique in that they involve formal and longer-term collaboration among many organizations with shared risk and responsibilities while preserving the independence of the participants in the network.**

Networks rely on informal negotiations, consensus building to shape consensus as to roles and responsibilities as well as to the norms and policies by which network members agree to govern themselves. Because they rely on consensus decision-making, decisions can be slow.

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*The culture and sub-cultures of organizations can be a powerful asset in aligning performance toward a common purpose. CPF has worked tirelessly in recent years to strengthen its culture and to create relationships of trust. It has also worked very deliberately to normalize constructive relationships, to celebrate and learn from occasional mistakes, and to encourage colleagues to acknowledge the success of others, including those who are not part of their own entity within the network. Video conference technologies and other modes of electronic communications have accelerated efforts to create the sense of belonging to 'one team' across the network.*

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<sup>1</sup> In this paper, references to Canadian Parent for French, National means the national backbone organization headquartered in Ottawa and incorporated under the Canadian Not-for-Profit Corporations Act. 'Branch' denotes the provincial members that are typically incorporated by provincial statute. 'Chapter' denotes unincorporated local structures accountable to the branches. 'CPF' denotes the sum of the backbone organization, its branches, and chapters.

In Canada, many not-for-profit networks mirror Canada's constitutional arrangements with one national organization and ten provincial branches. Some networks have separate members for each of the territories, but most ensure often inadequate coverage of the territories with an affiliate that spans a province and neighbouring territory (i.e., the BC and Yukon branch of CPF). The significant and often dramatic provincial differences in population density, population growth, language, and philanthropic traditions are a source of constant tension in networks especially for those that rely on membership fees or assessments of the branches to fund the backbone organization.

It is interesting to consider other examples of networked organizations in the business world. The franchisor-franchisee relationship resembles networks in some respects. Franchise agreements are typically much more detailed in the apportioning of roles and responsibilities to the franchisee and franchisor. Most network agreements lack this level of specificity. For example, A&W franchisees do not create store designs, burger recipes, advertising campaigns or websites. They do not select ingredients and have had to adhere to A&W's corporate leadership in shifting to healthier beef and chicken in the last decade. Yet,

franchisees have significant control over staffing and wages, the pricing of menu items (except when these are part of a national promotional campaign), and their hours of operation. This clear division of roles and responsibilities explains in part A&W's significant growth and success in the Canadian marketplace.

Networks such as CPF have important advantages in the significant level of independence available to members that are 'closer to the ground.' They are typically more locally or regionally responsive and may be more entrepreneurial. Historically, they provided significant advantages to the delivery of fundraising, advocacy, and programmatic activities that rely on high levels of volunteer and community engagement. The growing ease with which the national offices can communicate and create a virtual presence over large areas relying on the power of the internet and digital communications have diminished the advantage of networks, which were in part designed to manage communications over large areas at a time when the tools of the internet were not available. Changes in technology invite discussion of which activities require tailoring to regional differences and on-the-ground presence for programming. They also invite discussion of which activities might be pooled to realize savings.

## COLLECTIVE IMPACT

The boldest thinking in not-for-profit governance draws on complexity science and systems thinking. These novel approaches are rooted in a recognition that society's thorniest and most complex problems will not find solutions in organizations acting alone. New digital tools to build networks and connect processes in non-hierarchical ways are also propelling new thinking about the possibilities of collective impact.

Conscious that societal change typically requires multi-pronged action, they are shifting the discourse away from a narrow attribution of impacts to organizations or individuals focusing instead on system-level impacts. Innovative funders are welcoming this shift

away from a narrow accounting of outcomes to one that brings into focus the possibility of more ambitious system change or collective impact.

The concept of collective impact situates CPF in the broader set of relationships with other organizations that share CPF's values and purpose and are also involved in the promotion of French as a second language. These other actors include governments, political parties, French as a Second Language (FSL) and French immersion teachers, etc. This short comment on systems-level thinking invites consideration of the extent to which CPF invests sufficient resources to mobilize all system actors.

# NEW DEMANDS FOR ACCOUNTABILITY AND TRANSPARENCY

The wilful fraud and corruption scandal that made Enron synonymous with corporate greed and corruption in 2001 is the most significant event in the recent history of corporate governance. It spawned legislative initiatives and a vast array of innovations in governance practice that continue to reverberate in the business world and beyond. It also triggered the downfall of the global public accountancy firm Arthur Andersen LLP.

**The Enron scandal must be read in the context of broader technological and societal transformation. The power of the internet and of the digital transformation that it spawned have transformed the ease and significantly multiplied the velocity with which information flows. It has fueled new expectations for transparency and for accountability.**

In common with the post-Enron changes to practices in corporate governance, changes to not-for-profit governance in Canada have resulted both from legislative changes, new efforts at self-regulation, and changes in organizational practices. The new Canada Not-for-profit Corporations Act<sup>2</sup> (CNCA) was introduced to 'promote accountability, transparency and good corporate governance for the not-for-profit sector and is the first significant modernization of Canada's not-for-profit legislation since 1917<sup>3</sup>.'

The rising tide of demands for transparency and accountability is especially challenging for networks. The fact that members of the public (and members of the media) typically do not understand or care to learn the intricate relationships within a network flows from the fact that they share in a common name and brand. In situations of crisis, which bring adverse publicity in print, broadcast, and social media, it is often impossible to isolate to a single branch or backbone organization within a larger network the effect of such intense publicity. This requires of networks to mitigate the potential for damage to their reputation in a way which reflects this shared risk. It requires all network participants to share in the responsibility to be proactive in protecting the shared name and the network's reputation. Developing crisis communication protocols and prototype communications for high-probability/high-impact situations are important proactive measures to implement. Responding quickly in a crisis is critical as crises are rapidly unfolding events and this requires clarification as to who exercises authority in different potential scenarios.

Because charities often have few assets beyond a powerful and trusted brand, the risk of reputational damage is a major issue, which is compounded by the power of social media and the ubiquitous presence of the hand-held device and camera.

<sup>2</sup> Canada Not-for-profit Corporations Act, S.C. 2009, c. 23.

<sup>3</sup> Innovation, Science and Economic Development Canada. "Brief history of the CNCA statutes." Modified January 26, 2021. <https://www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/cs05170.html#brief> Page 1.

# THE INTERNET AND THE DIGITAL AGE

We live in an age of revolution powered by the exponential rise in the computational power of microchips and the near ubiquity of internet technology. The shrinking unit costs of computing power and data transmission are fueling a revolution in how we consume information and entertain ourselves, work, and socialize. The digital transformation in our lives has been accelerated not only by shifting cost structures and the advent of new technologies but also by the global pandemic that has restricted our ability to gather in large groups for two years.

In common with many other organizations, the pandemic led CPF to accelerate investments in technologies (e.g., mobile computing, video conferencing, VoIP telephony, cloud-based document sharing and collaboration platforms such as Microsoft Teams and SharePoint). This has transformed approaches to remote work and virtual programming. The CPF Network is now harvesting the benefits of these investments. It also has turbocharged the ability to create a sense of belonging across entire networked organizations.

Together, these forces have transformed the ways organization work and are connected. While the restrictions brought upon by the global pandemic are now easing, the ease with which networked organizations have become digitally interconnected is irreversible.

Modern technologies allow large global corporations to link teams across the world scaling operations to realize economies of scale and shifting certain back-office activities (e.g., call centers, software coding and development activities, payroll processing, etc.) to lower-cost jurisdictions. Canadian corporations often seize opportunities offered by these technologies to reduce costs and improve their competitive advantage. Moncton and Sudbury have become favorite locations for large call-center operations owing to their favorable labour market conditions and well-educated bilingual workforces.

Twenty years ago, there were significant costs to long-distance communications, which have disappeared today. Websites were in their infancy. National organizations could not communicate easily and inexpensively with constituents except through local or provincial affiliates. Today, outside of language and important equity issues in access to the internet and mobile devices, those barriers have largely disappeared. This creates new dynamics for networks as backbone organizations can have direct-to-consumer communications that are not mediated by their affiliates.

We have noted the chorus of growing demands for increased transparency and accountability. One specific area where charities are held to account is in the way they rationalize their cost structures and consolidate tasks. This scrutiny applies to costs for managerial staff and to the costs associated to administration or fundraising. Yet, even in the face of growing scrutiny, networks in the not-for-profit sector have been slow to right-size their management structures and pool their back-office activities (e.g., data processing, accounting, payroll, website administration and content management, IT infrastructure and applications, etc.) into a shared services model to achieve economies of scale and generate important savings. The consensus mode of decision-making constitutes an important barrier to these changes.

**Other organizations that have unified activities, whether by de-federating or creating a genuine shared services infrastructure, realized that service and program quality varied enormously across regions, and that few systems had been in place to assure a consistent level of quality. They also realized that a fragmented program structure slowed or inhibited the implementation of improved customer service through modern technologies (e.g., digital preference centers, chatbots, automatic call distribution technology, constituent relationship management systems, systematic evaluation, and user feedback loops, expanded service coverage in languages other than English and French, etc.).**

# GROWING REGIONALISM IN CANADA

Regional sentiment in Canada has grown since the 1960s. The rise of Québec nationalism and, later, the growth of regional sentiment in the oil-rich provinces of Western Canada are two noteworthy examples.

Because education is an area of exclusive provincial jurisdictions and the provincial role in health overshadows that of the Federal Government, the relative size of our provincial governments has increased markedly with expansion of access to public education and post-secondary education and the advent of public health insurance in the 1960s.

CPF's mission requires tailoring its advocacy work to provincial and territorial realities and to the linguistic makeup of Canada. It also needs to retain capacity to advocate with the Federal Government because of its role in the promotion of official languages. In delivering programs to young people to foster the use and deepen knowledge of French as a second language, CPF may choose to deliver a core menu of programs on a consistent basis across the country while permitting innovation in programs that reflect provincial or territorial priorities or funding opportunities.

## LEADING PRACTICE IN NETWORKS

### *Improve Decision-Making Effectiveness*

**The advantage of networks is in the flexibility they offer at the local or provincial level. Its disadvantage lies in the inability to pool resources or allocate them effectively. The resource allocation challenge is especially critical for smaller networked organizations, which have few opportunities for the costs savings that economists have shown are available with scale.**

CPF is a small organization. Its smallest branch has an annual budget of \$55,000; budgets for other branches range from approximately \$175,000 to \$790,000.

By fragmenting administrative and programmatic functions in each of its branches, CPF introduces significant inefficiencies. One inefficiency flows from the heaviness in the management ranks of CPF when considered as a whole. CPF's 11 senior staff directors represent expenditures of approximately \$800,000 in

salaries or 40 per cent of the overall network budget of approximately \$2M.

Some of the federated organizations (e.g., The Canadian Red Cross, the Canadian Cancer Society, Heart & Stroke Canada) that have made significant efforts to improve the effectiveness of their back-offices have annual budgets of more than \$100M each. The point in identifying this dramatic contrast of scale is to show that organizations of much larger scale are finding ways to rationalize their costs to amplify their impact.

Networks that exemplify leading practice have tackled these inefficiencies. Some have changed network agreements to apportion roles and responsibilities, thus creating exclusive jurisdictions both for the affiliates and backbone organizations. Others have created a distributed shared services framework to house back-office operations (which are not

necessarily all conducted from the backbone organization but distributed in ways that reflect relative cost advantage and the existing competencies of various parts of the network).

Addressing the challenge of decision-making must be a top priority in networks that want to amplify impact. Everything else relies on it. In an era where successful organizations move at the speed of the internet, this can be a dramatic handicap. Decision-making models, including Bain & Co's RAPID<sup>4</sup> framework, assign clear decision rights to various participants (e.g., input, advice, decision-making, veto, implementation). This model helps provide **clarity as to those whose role in decision-making is to provide input or advice.**

**Leading practice requires networks to clarify roles and responsibility with greater precision than is typical in the agreements that bind networked parties. Clarity about roles and responsibility is not sufficient. It must be accompanied by clear delegation of authority and the expectation that those who exercise authority have accountability to do so in engaging, respectful, and responsive ways.** Networks must also be mindful that the expectation to provide input in decision-making requires resources, and branches that have more limited resources may find the demands of participation in consultations and shared decision-making very taxing. One approach to remedy this

## *Create drive and shared purpose*

**Leading practice in networked organizations requires shared strategy development, strategy implementation, and strategic performance monitoring systems. Those networked under a common brand should share a purpose (or mission statement), a set of values, and high-level strategic objectives or directions.** The planning processes designed to create this shared framework must be inclusive and engaging. It must also involve a commitment to keep it

situation might involve smaller branches coordinating their participation in the review and consultation relating to various policies allowing one staff person from a smaller branch to coordinate the input of several smaller branches on a given topic. When the next opportunity arises for consultation, the lead role in the consultation on behalf of the group of small branches rests with the executive director from another smaller branch.

Let us illustrate the pooling of IT capabilities in a shared services framework with a network that places responsibility for IT on a network-wide basis in the backbone organization or in one of its largest affiliates which has a depth of IT expertise. Imagine an IT team designed on a pan-Canadian basis with members of the team housed in a few locations across the country (but not necessarily in all affiliate offices) resulting in deeper specialization among some members of the team. By pooling resources, this might permit the hiring of an individual to lead the IT team with more specialized skills. The individual leading the IT team has accountability to the affiliates and the backbone organization for service level agreements (SLAs) established via a shared services agreement. The decision-making model ensures that those who benefit from the shared services infrastructure have the right to be informed and to provide input, but they no longer have decision rights in IT decisions.

evergreen and to measure the performance of the network against the ultimate impacts sought on communities.

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*CPF exhibits several leading practices used to create drive and shared purpose. It is united by a common purpose and set of values.*

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<sup>4</sup> Bain & Company. "RAPID: Bain's tool to clarify decision accountability." Accessed at <https://www.bain.com/insights/rapid-tool-to-clarify-decision-accountability/> on April 10, 2022.

## *Be impact-driven and consequential*

Public, donor, and funder expectations for accountability are complex in networks. Certain donors and funders have a place-based focus and need impacts revealed along provincial or territorial boundaries. CPF's most important funder is a department of the Federal Government that pursues objectives at the national level consistent with its pan-Canadian mandate to promote official languages. CPF has an important responsibility to tell a story of impact that reveals the network as a source of strength both locally and nationally.

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*Yet, CPF lacks the strategic performance management systems that allow the network to account for its broader societal impact. The CPF Annual Performance Report summarizes program metrics and outputs; its approved strategic plan<sup>5</sup> describes 'impact numbers,' which are mere inputs or measures of reach. It does*

## *Resource allocation to improve equity and efficiency*

In networks, resources may not be optimized for impact because of diffuse power and the resulting challenges with decision-making discussed earlier. This creates two types of issues. One is a problem of inefficiency (too many resources consumed for the delivery of a simple task because of lack of scale and specialization), and the other is a problem of inequity (resources distributed in ways that do not allow each part of the Network to deliver the same impact in their community). To drive mission impact with an equity lens across the country, leading practice requires a resolute focus on reducing fundraising and administrative expenditures. Yet, affiliates often protect jealously their separate finance, payroll,

## *Be ONE employer of choice*

The adage that people are often an organization's most important asset is more important than ever with the reality of labour shortages, which have grown with the pandemic and will continue to negatively impact economic growth in Canada owing to our ageing

*not reveal CPF's broader impact on access to French second language education or the use of French as a second language by young Canadians. An evaluation of CPF commissioned by the Department of Canadian Heritage recommended the implementation of such a strategic performance framework<sup>6</sup>.*

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Leading practice requires organizations to have resolve about their purpose and to be consequential about the barriers that inhibit effectiveness in driving impact. It includes new ways of dealing with non-compliance. Networks implementing leading practice have developed agreements providing backbone organizations with intermediate steps to deal with non-compliance in tailored and proportional ways. For example, a financial penalty for failure to report in a timely way is imposed on affiliates failing to provide timely financial reports after repeated warnings.

human resources, benefits administration, and data processing resulting in significant administrative and fundraising inefficiencies. By not addressing these inefficiencies, one compounds the challenge of equitable distribution of resources for impact.

CPF is adopting leading practice in areas related to the back office by pooling certain activities in a shared services model (e.g., website administration and content management, administration of national programs) yet these shifts have been slow, touch relatively small areas of operations, and have occasionally resulted in an affiliate not participating in those pooled activities.

population. Implementing strategies to address the human capital challenge throughout a network is a leading practice.

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<sup>5</sup> Canadian Parents for French. 'Network Strategic Plan 2020-2025.' Accessed at [https://cpf.ca/wp-content/uploads/CPF\\_StrategicPlan\\_2020-2025-1-1.pdf](https://cpf.ca/wp-content/uploads/CPF_StrategicPlan_2020-2025-1-1.pdf) on April 12, 2022.

<sup>6</sup> Department of Canadian Heritage, Official Languages Support Programs Branch. 'Evaluation of Canadian Parents for French Network.' April 2009



Integrated approaches to talent acquisition and onboarding, to the development of an internal labour market (where career ladders and journeys can be built across the network), and to a full suite of policies and programs to nurture engagement and promote employee retention must be designed for at the level of the network while respecting the unique legal responsibilities of each branch as employers. Leading networks have multiplied the number of roles across the networked entities that one individual holds concurrently (e.g., the Accounting Coordinator for Alberta serves concurrently as the Finance Coordinator in two neighbouring provinces).

A discussion of talent management would not be complete without acknowledging the diversity deficit in the not-for-profit sector in Canada. Diversity leads to better decisions, may serve to enhance organizational legitimacy, and offers opportunities for organizations to connect with communities in new ways. A commitment to inclusion is also a leading practice.

These new realities require bold leadership in the not-for-profit sector. They require a shift from approaches to human resources that are rooted in personnel and benefits administration to one where talent management becomes a strategic competency.

The most important responsibility for people leaders is to develop a strong organizational culture. In networks, the challenge is to build a 'ONE team' culture. All network leaders have a responsibility to introduce ways to celebrate and acknowledge successes that take place outside of one's team, and to demonstrate humility in acknowledging one's own failures.

**Novel approaches to remote and virtual work during the pandemic have enhanced the ability of networks to create a unifying culture by hiring staff who play national roles in remote locations including in the offices of its branches. These practices strengthen the ability to create an internal labour market and erode the silos that inhibit collaboration.**

## MODELS FOR TRANSFORMATION

Transforming networks is not easy. Many organizations embarking on this process can agree on only one thing, which is that if the organization were created today, it would not be networked. Yet, legacy structures, and the inability/unwillingness to use rigorous cost effectiveness and program impact data to guide decisions often inhibit optimal or bold changes in the structure of networks.

Discussions of the models for transformation of networks typically involve a continuum from centralized to decentralized. This is useful in certain regards but fails to acknowledge that parties to a network agreement may not all be prepared to shift

along this continuum at the same time. We should therefore speak to models for change reflecting the centralized/decentralized continuum and the challenge of asymmetry or dislocation when change is implemented without involvement of all networked participants.

It is also worth noting that networks that have successfully implemented bold change have ensured that the appetite for change in either direction is a broadly shared one. Too often, the desire to centralize is unique to the backbone organization. The absence of shared leadership quickly stymies efforts at transformation and may even engender dislocation.

## *Unification or de-network*

Unification or de-network is a model of change often discussed but seldom implemented because it involves ceding power away from each of the networked entities into a single corporation. Several nested organizations<sup>7</sup> have unified their operations and realized significant costs savings in doing so. The Canadian Red Cross, the Canadian Cancer Society,

and the Multiple Sclerosis Society of Canada are leading examples of success in unification.

Unification is not available as an option to the CPF Network as the separate branches are required to receive funding by provincial and territorial governments. It is highlighted here only for completeness.

## *Improving networks*

A more typical path for transformed networks is to seek improvements in the governance and operations of the network while retaining its legal structure.

Many networks start by creating mechanisms for strategic planning and for building relationships of trust across the various entities. Others quickly turn to shifting the governance of the backbone organization away from a representational model of to one that is competency-based.

Others introduce greater clarity in the roles and responsibility of the backbone organization and its branches while creating zones of exclusive authority for each.

Technological change (e.g., the ease with which geo-location tools are available in web design, and advances in web content management tools for improved user experience) have caused networks including Canadian Parents for French to improve their web presence and the users' experience by creating a single web portal for most entities within the network.

Creating internal labour markets and pay equity across a networked entity are areas of transformation available to networks that have learned to work collectively to amplify impact.

## *Dislocation and asymmetry*

A growing number of organizations that attempt transformation of their federated or networked structures have implemented changes that create asymmetry in their pan-Canadian structures. The Canadian Lung Association now federates only four provinces, with the others having left the federation. The Multiple Sclerosis Society of Canada permitted its Quebec Division to have a different status than its other divisions by being separately incorporated.

Because CPF relies on the Federal Government as its largest funder, preserving a symmetric structure is critical. Asymmetry in networks poses serious challenges with funders that demand comprehensive geographic coverage (e.g., the Federal Government and its agencies, national corporations, and sponsors).

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<sup>7</sup> Nested organizations resemble networks in that affiliates have a high level of autonomy and semi-autonomous governance structures, but they are distinct in that the affiliates are not separately incorporated but created by authority of the national organization

# CONCLUSION

**N**etworks are changing at a frenetic pace. These changes reflect dynamic changes in our environment and public demands for greater accountability and transparency from those who exercise power. The ease and velocity with which information can be shared – and misinformation amplified – create new opportunities and challenges for networks and their governing bodies.

This paper is intended as a backgrounder for discussion about leading practice. The hope is that it will serve to inspire changes in practice in a stepwise and considered way. The intention is to simulate reflection about the changes that may be appropriate at this juncture. The paper should not be interpreted as a prescription for a wholesale transformation of CPF or as a suite of recommendations for change. A plan for transformation requires deep engagement of those who could be affected by the ultimate outcome of such change process.



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