Capturing the Value of Integration

Considering Benefit-Cost Measures When Making Decisions about Integration Activities

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Background: Many environmental problems, including wetland issues, are complex and multifaceted. They require the efforts of many different systems working together to be resolved. Integration can extend reach, strengthen the end-product, create greater efficiencies and cost-savings. It can also provide new, more effective and sustainable opportunities. Before undertaking an integration project, states and tribes may need to be able to show that it is a good investment. This information about Return on Investment (ROI) may be needed in order to compete with other requests for the same funds, to show that others have made integration work in similar circumstances or to be able to point to successful peer examples where their outcomes showed integration had greater benefits than costs. ASWM has developed this brief factsheet to share project findings around integration benefit and cost measures to meet this need.

From Concepts to Shareable Spreadsheet Analysis: In order to analyze the true costs and benefits of an integration project, planners should engage an expert in benefit-cost analysis. However, there are some basic concepts that non-experts can consider when thinking about integration. The first step in this process is understanding the goals of your analysis - What are your trying to measure? What measures will you use? Once you know which measures, you will need to create a formal measure to capture this information (a process called "operationalization"). There are many specific measures available to help your team capture your integration projects' costs and benefits. Some specific considerations that require expert advice include how to ensure there is no double-counting (values of the same benefit attributed more than once to the totals).

ASWM's research indicates that states and tribes often find value even in simple, informal assessment of benefits and costs. Informal analysis may be enough to make the case for integration when there is competition of funds among various potential activities. Below are listed some categories of measures to consider at the outset of integration activities or when deciding how to capture the return on investment from collaboration.

Common Costs of Integration	**Common Benefits of Integration**
Start-up and meeting costs	Improved efficiency
Staff time reallocation (may not be increased)	Better products and services; reach and depth
Creation of shared/complementary systems	Cost-savings and access to resources
Training & Outreach (may be internal/no added cost)	Stronger relationships and more buy-in
Sometimes funds for shared activities/incentives	Flexibility, innovation and associated resiliency

Common Costs of Integration	Common Benefits of Integration
Start-up and meeting costs - Costs for planning activities - Costs for coordinating and hosting meetings between project partners	**Improved efficiency** – Operational efficiency – Shared task management – Optimization of division of labor – Speed in the development and/or implementation of solutions – Decreased bureaucracy, less siloed management – Decreased command and control approach (allowing for more informed goal setting)
Staff time reallocation (may not be increased) - Staff time allocated from existing activities to the new collaborative activity - Hiring of new staff to take on integration project tasks	**Better products and services, reach and depth** - Improved environmental, economic and organizational outcomes - Improved quality/effectiveness - Greater ability to address complex problems
Creation of shared/complementary systems - Costs associated with the administrative reorganization of activities, including potentially creating shared standard operating procedures - Costs to facilitate sharing data or shared information management systems	**Cost-savings and access to resources** – Leverage greater amounts and a wider variety of skills and resources than can be achieved by acting alone – Leveraging external resources to offset costs – Opportunities to achieve economies of scale – Access to/sharing of information – Access to other funds or in-kind supports – Leveraging of external resources – Making projects possible that would otherwise not be possible through pooling of funds and expertise – Decreased costs for planning and implementation
Training and Outreach - Outreach materials to explain new efforts - Cross-Training (may be internal, no additional cost)	**Stronger relationships and more buy-in** – Encourage broader participation in goal setting and problem solving – Facilitate building trust needed to work effectively – Stakeholder consultation across multiple areas – Development of networks to support shared work – Positive reputation and credibility – Build institutional structures for joint ownership – Buy-in on proposed solutions – Cooperation around technology
Contributing resources to shared activities - Cost of specific joint activities (events, processes, permitting, etc.) - Providing funds for incentives or grants - Joint reporting and/or evaluation	**Flexibility and innovation** – Flexibility/use of tailored solutions – Organizational innovation – Accommodation of broader perspectives, in ways that lead to more creative approaches to problem solving – Act as a catalyst for policy innovation

References for key work on value of collaboration and integration: Chrislip and Larson (1994); Kamensky and Burlin (2004); Klitgaard and Treverton (2003); Mattesich et al (2002); and Strauss (2002)

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