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SEMINARS FOR
EXCELLENCE IN
Nonprofit
MANAGEMENT

Strategic Partnerships

Presented by Kate Busch

Supported by the Professional Development Fund of
Berkshire Taconic Community Foundation

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Strategic Partnerships,

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“A nonprofit merger or consolidation will only be successful in the long run if the leaders involved can place achieving improved community outcomes ahead of both advancing their organizational mission and maintaining organizational structures.”

Michael Howe, Executive Director, East Bay Community Foundation

AGENDA

- 1. Introductions, Experiences with collaboration, partnership and merger**
- 2. Why consider collaboration, partnership or merger?**
- 3. What kind of partnership might be best for your organization?**
- 4. Factors Contributing to Nonprofit Success**
- 5. A way for both organizations to consider alliances**
- 6. "What's Your Organization's CQ (Collaborative Quotient)?"**
- 7. Roadblocks to successful mergers**
- 8. How to select potential partners**
- 9. Types and characteristics of alliances**
- 10. 10 Tips for a Successful Merger**
- 11. Merger Agreements**
- 12. Bibliography and Resources**

Why consider collaboration, partnership or merger?

Organizational Capacity:

- Streamline and share resources to cut administrative and program costs to put more dollars into direct service
- Avoid bankruptcy or dissolution. Funders may find the new strengthened organization more attractive and less risky to support.
- One organization is unable to find or keep an executive director; unable to maintain an active board; or too small to compete effectively in a particular market. Seek affiliation with a larger organization that has what you lack but make sure you are bringing strengths to the table as well.

Program Capacity:

- One organization is strong, and seeks to expand program capacity - ready to grow, want to augment a continuum of services creating a program from scratch; need to increase market share; hope to reduce competition
- Take on new projects or get involved in larger-scale endeavors.
- Acquire skills that an organization needs to accomplish goals. When an organization cannot find or afford staff members with the experience, connections and skills that it needs.
- Large-scale contracts may become possible only with a merged organization

Customer Needs:

- Strategically increase two organizations' reach and allow them to accomplish more with a unified front.
- Acquire new markets or new products that could increase services to core customers

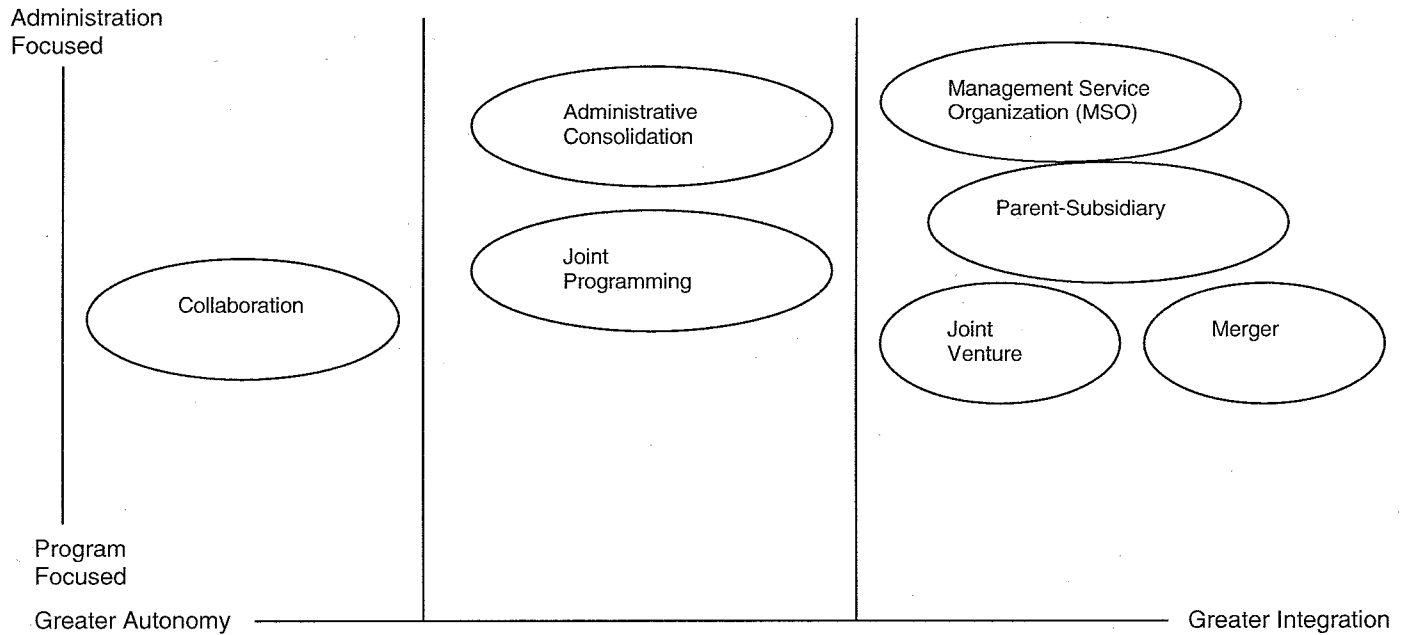
Effectiveness:

- A merger can eliminate confusion between two similar organizations.
- By merging two similar organizations, you can increase political clout by speaking with one stronger voice.

What kind of partnership might be best for your organization?

(From *The Nonprofit Mergers Workbook*, see information under resources.)

The Partnership Matrix



Collaboration

No permanent organizational commitment

Decision-making power remains with the individual organization

Alliance

Involves a commitment to continue for the foreseeable future

Decision-making power is shared or transferred

Is agreement-driven

Integration

Involves changes to corporate control and/or structure, including creation and/or dissolution of one or more organizations

Strategic Restructuring

Factors Contributing to Nonprofit Success

Successful nonprofits thrive in a challenging environment, primarily due to the following factors:

- **Flexible** – project rather than a program focus. Partnering with different kinds of organizations based on the work that needs to be done. Many nonprofit organizations strive to maintain the status quo, while the world is changing with unprecedented rapidity
- **Strong Leadership** -- Successful nonprofits have enterprising executives who work in harmony with supportive dedicated and involved boards. “Succeed, and the board will let you take bigger risks next time” is advice given to many new executives.”
- **Entrepreneurial and Market-Focused** – an emphasis on new project development and fee generation and a goal of becoming self-supporting through fees and project-specific grants. Successful nonprofits also share a desire to grow in order to deliver more and better services and increase financial stability. Some larger nonprofits grow by acquiring weaker nonprofits they believe can be revitalized with an infusion of good management.
- **State of the art** – no excuses for outdated technology, facilities, programs or ideas.

A way for both organizations to consider alliances

- The alliance **benefits both partners**. Good agreements open new doors for the partners and allow room to evolve as future opportunities occur.
- Successful alliances create **new value through collaboration**. Partners must value the skills each party brings to the alliance.
- For an alliance to flourish, **both parties must be involved** in managing the partnership. An alliance without trust and respect is doomed to failure.

"What's Your Organization's CQ (Collaborative Quotient)?"

By Lynne Snead

(Reprinted from "To Do, Doing, Done! A Creative Approach to Managing Projects and Effectively Finishing What Matters Most" by G. Lynne Snead and Joyce Wycoff published by Simon and Schuster, January, 1996)

The following evaluation will help you determine how well your organization supports collaboration. Rate your organization from 1 to 5 on the following questions.

1 = terrible/never

2 = poor/seldom

3 = average/generally

4 = good/often

5 = excellent/always

- ___ 1. We stimulate communication by providing conference rooms, whiteboards, bulletin boards, open work areas.
- ___ 2. We share information widely through group meetings, newsletters, e-mail, closed circuit TV, financial and performance reports.
- ___ 3. We have a high level of trust and respect for each other.
- ___ 4. We encourage people to collaborate on projects and allow them to identify potential projects even when it takes time away from "normal" duties.
- ___ 5. We have a compensation policy that rewards collaborative efforts as well as individual efforts.
- ___ 6. Our organization's values, vision and objectives are clearly understood by all and we encourage groups and individuals to clarify their own values and vision.
- ___ 7. Rewards and risks are shared equitably by everyone in the organization.
- ___ 8. We have computer-enhanced collaboration tools and groupware in place and everyone in the organization has access to these tools.
- ___ 9. We encourage informal interaction across departments and functions and have an "open access" policy for everyone in the organization.
- ___ 10. Most of the time, most of our people feel pride in their work and frequently talk about work being "fun."

___ Total

Scores:

50 Congratulations! Check your perceptions with the first 5 people you meet. If they rate these questions the same way you do, call us ... we would like to hear your story!

45-49 Yours is a rare organization. Some how you've managed to do what everyone else is talking about doing. Keep up the good work!

40-44 You're on the right track but you need to open your lines of communications. Ask people (all people) what would make their work life better? What tools do they need? What information do they need? Do they understand the work processes and how they fit into the whole?

39 or less Organize a collaboration group to discuss ways to stimulate collaboration ... before it's too late.

G. Lynne Snead, vice-president with FranklinCovey can be reached at lynne.snead@franklincovey.com

Roadblocks to successful mergers

A nonprofit's extreme focus on autonomy:

"Why would we want to merge? We would lose our independence. We have our own way of doing things. We don't want to be taken over by some other group with different priorities. We would lose our identity. This will never happen while I am president."
--Spoken by a board chair of a nonprofit that dissolved six months later.

Culture clash

Organizational culture is a pervasive influence that is revealed by, among other things, where staff sit at the conference table for meetings, what to wear to work, and the believed competency of the staff and board, among other things. There must be a strong set of shared beliefs and practices. While culture clashes must be addressed, cultural differences do not necessarily represent problems in need of solutions. As long as differences are recognized and respected they can add life to an organization.

Confusion on how to maintain nonprofit identity

Maintaining identity is important building loyalty both inside and outside the institution. Full consolidations require stakeholders to transfer that loyalty to a new institution. Organizational identity is an asset in the external world. It attracts staff, board members, clients and funders. It is like "brand loyalty" in the corporate world. The most visible symbol is the organization's name, and often the most heated battles in strategic restructuring occur over name changes.

How to select potential partners

1. Develop criteria describing what you are looking for
2. Values – a way of working, what do you stand for?
 - Services – services that complement yours to make a more complete whole
 - Infrastructure – strength in technology, fund development, marketing, financial management
 - Leadership – strong senior staff, strong board
 - Reputation – community respect as an effective organization
3. Identify organizations that are exemplary in meeting your criteria
4. Due diligence – research these organizations.

10 Tips for a Successful Merger

Some mergers are smooth and seamless — the perfect marriage of two organizations' needs and missions. Other are more like shotgun weddings — two unlikely companions forced together by circumstances.

It's the board's responsibility to make sure that a merger isn't a haphazard partnership between desperate parties but a well-planned, mutually beneficial relationship between two healthy organizations. If carefully crafted, a merger can be an innovation in nonprofit structure and management, notes Thomas A. McLaughlin in his book, *Nonprofit Mergers and Alliances: A Strategic Planning Guide*. Making your merger work may well depend on whether you have planned ahead and asked yourself the right questions. Before taking the merger plunge, consider these queries.

1. Are your **services similar** to those of another group in your area, or do you serve a related population? Beware if you are duplicating the efforts of other organizations. There may not be enough work to go around.
2. Does everyone **understand what is motivating** the merger? What are you trying to accomplish through a merger, and what evidence do you have that these goals can be met in this way?
3. Determine the **desired outcomes** from all parties involved. How will they be measured? What indicators will you use to judge the success of the new organization?
4. Focus on developing a **mission statement** that concentrates on similar values. Look at what the merged organization is trying to accomplish. Are the **cultures** of the two organizations likely to clash or be complementary?
5. Determine the **critical issues** from the boards, executive directors, and staff perspectives. Don't make the mistake of guessing what each constituency thinks. Ask! How will your external constituencies — clients, funders, the community — react to the merger? What can you do to mitigate any negative fallout?
6. Take time to get to know one another. **Trust** is essential in merger negotiations. Consider hosting joint board or staff events or conducting small projects.
7. Be transparent. **Full disclosure** by everybody contributes to trust. Discuss assets, liabilities, and non-negotiables up front. Will the merger put your organization in any potential legal or financial jeopardy? Determine staffing issues early. What staffing changes will be required in the merged organization? How will you identify and select a chief executive? Who will comprise the board of the merged organization?
8. Use a trusted, knowledgeable **facilitator**. This person can help develop a process, establish ground rules, avoid pitfalls, and negotiate conflicts. Remember, the role of the consultant is not to produce a merger, but to guide the process.
9. Keep people **informed and involved**. Make sure you have timely, clear, and open communication with all stakeholders throughout the process. People will take ownership in the new organization and its success if they are involved in the plans and decisions.
10. **Celebrate**. A merger is an excellent opportunity to reenergize relationships with volunteers, funders, and the community. Host a media event or celebratory dinner to publicize the new organization.

Merger Agreements

- Whichever type of agreement fits your business, all agreements should include:
- Your common goal
- A strategy to define the role of each partner to accomplish that goal
- The parameters of working toward that common goal.

A tightly defined agreement may also:

- Identify key steps that each partner will take to meet the requirements of the agreement
- Include a time frame for achieving those key steps
- Outline each partner's accountability by including consequences for "worst-case scenarios" such as missed deadlines, budget overruns, or products not delivered as promised or in the format expected
- Provide a framework for resolving conflicts if they occur.

Bibliography and Resources

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Special thanks to my colleague, Martey S. Rhine, Management Solutions & Resources, 60 LeMay Street, West Hartford, CT 06107, 860-313-0349, msrhine@connico.net for assistance with this presentation.

Piecing Together a Merger

By Calvin Verrett-Carter

Mergers can be puzzling. But with preparation and training, nonprofits can find the right fit.

The Grantmakers for Effective Organizations (GEO) and the Grantmakers Evaluation Network (GEN) had a lot in common — not the least of which was their similar-sounding acronyms. Both GEO and GEN helped funders increase their effectiveness. Both were seeking collaboration opportunities. And both wanted to make the most of their limited resources.

But after a few meetings to discuss possible joint efforts, GEO and GEN found they were even more alike than they first realized. In fact, what started as an assessment of opportunities for the two organizations to collaborate, ended with a proposal to formally marry the groups' missions.

At first “we didn't even use the word merger,” says Kathleen Enright, CEO of GEO. “You never know how those conversations are going to go.”

What do you do when some of your nonprofit organization's services are being duplicated across town, your board is tired, and your books are hemorrhaging red ink?

Due to explosive growth in the sector and a dwindling pool of funding resources, the answer will increasingly be for nonprofits to merge, says David La Piana, principal of La Piana Associates, Inc. and author of *The Nonprofit Mergers Workbook*.

“Between 35,000 and 40,000 new nonprofits start every year, which means increased competition and a shrinking pool of funds,” he says. “It makes sense during difficult economic times for people to consolidate because there's not enough money to go around.”

When considering a merger, some nonprofit boards behave like parents of the groom in a hastily arranged marriage: They put great effort into staying out of the bride's way. But instead of taking a peripheral role, nonprofit governance experts say mergers offer board members a perfect opportunity to take control.

“The CEO runs a lot of things, but mergers are an area where the board has to take the lead,” says La Piana, who has facilitated hundreds of nonprofit mergers.

Grantmaking organizations have long encouraged many of the nonprofits they fund to consider forming strategic alliances, collaborating, consolidating, or even merging to get a better bang for their buck. GEN and GEO have gone beyond the basics by setting an example, says La Piana, who facilitated the merger. “Funders are sometimes criticized for encouraging their grantees to consolidate. But here you have two groups of funders who are going against that stereotype, and actually doing it themselves,” he says.

Ideally, a merger is the formalization of a long-nurtured, collaborative, mission-driven relationship between two equally healthy organizations with a strong bond of trust. That was exactly the case with GEO and GEN, Enright says. After a few preliminary discussions, the groups formed a task force made up of four representatives from each organization, hired a consultant, and began studying the feasibility of joining forces.

“GEO’s mission is two-pronged,” Enright says. “We focus on how funders are helping their grantees be more effective, and how the funders themselves are increasing their own effectiveness.” GEN’s mission was to help strengthen foundations by using evaluation to build a culture of critical thinking and informed decisionmaking — essentially mirroring part of GEO’s work. “It was a very nice fit,” Enright says.

James Canales, GEO’s board chair and now head of the combined 19-member board, agrees. “Both organizations had expressed an interest in increasing philanthropic effectiveness, and felt that we could be more successful in a combined state, than if we pursued those agendas separately,” he says. “It was largely a board-driven process and that ends up being critical to the success of the merged entity.”

Once the decision was made, negotiations proceeded swiftly, driven by the camaraderie and collegiality of both boards.

“We decided to have a very transparent process, and with our consultant leading us through the make-or-break issues, we were able to agree on things like leadership, governance, and the final makeup of the board — all things that could have been a problem for organizations that don’t know each other as well,” Enright says.

The amicable relationship between both organizations was an important factor in the merger’s success, says La Piana.

“In the nonprofit world there’s no hostile takeover,” he says. “It can’t happen unless both sides agree.”

But, Enright says, the process wasn’t easy. “There were tough questions and concerns raised, but at the end everybody saw that both sides could benefit, and were able to say yes enthusiastically.” The boards of both organizations approved the merger in October.

The combined group, which adopted the name Grantmakers for Effective Organizations, will be based in Washington, D.C., and have a membership of about 1,000 individuals from 700 grantmaking organizations across the United States. The integration process is expected to take six to 12 months.

Merger Mania

The sluggish economy and a surplus of newly formed nonprofits could mean more organizations considering mergers, Enright suggests. “Looking at the economic climate right now and the struggles that many nonprofits are facing, it seems the sector might have surpassed its sustainability,” she says. According to the most recent figures available, the nonprofit sector has experienced dramatic growth in the last 10 years with 501(c)(3) organizations increasing by 74 percent to 734,000 organizations in 1998 from 422,000 in 1987.

The total number of nonprofits grew to 1.6 million organizations in 1998 from 1.3 million in 1987.

“There’s a finite set of resources,” Enright says. “It’s difficult in tough economic times to continue to support all of these organizations at the same level, despite the good work they are doing.”

Once there’s a whiff of merger, La Piana says, staff inevitably begins to worry about layoffs. “In reality, it doesn’t work that way,” La Piana says. “The first thing to do is reassure staff that this is not going to be a catastrophic event.”

Another huge obstacle to mergers is forging a new culture and new leadership. The selection of a CEO — particularly when there are multiple candidates — can be the biggest challenge the board will face. “The board should have a process that is reasonable and fair, and it must be willing to make a decision,” La Piana says.

In fact, a merger can be the impetus to radically change a board, he adds. “This can be an opportunity to remove all the deadwood board members,” he says. “There are fewer slots than before, so it’s a good way to sensitively move them on.”

Finally, after the process is completed, the merged organization should begin to focus on the future.

“The important thing is to figure out what each organization wants out of the process from the beginning, and to measure, after an appropriate time frame, how well those goals have been achieved,” La Piana says.

EXCLUSIVE REPORTS

From the March 29, 2004 print edition

Nonprofits struggle for fiscal efficiency but shun mergers

Tracey Drury
Business First

Many nonprofit organizations have learned that the key to finding funding is collaborating with other groups. But many still can't bear to consider the "M" word: mergers.

It's not that they can't see the benefits of reduced administrative overhead, increased savings on purchases and training for employees. It's more a matter of protecting their baby, their mission and their passion.

"You can't buy passion," says Frank Mittin, executive director of the Not-for-Profit Resource Center at the United Way of Buffalo & Erie County. "When you look at a more classic corporate merger, it's really about money. You grant a price and make an exchange. It's different with the nonprofit sector, where there is passion for the mission. That doesn't have a price on it."

That doesn't mean some nonprofits haven't considered mergers, or actually completed them. But those groups are certainly few and far between. Since 1999, only 15 organizations in the eight-county Western New York region have filed for mergers with the State Attorney General's Office Charities Bureau.

Too many nonprofits?

Most nonprofit professionals agree there are too many nonprofits. Many groups serve the same constituents and offer the same services. Unlike in the for-profit sector, however, competition isn't necessarily good. Instead of driving down price for consumers, competition results in nonprofits fighting for grant and government dollars. Lowering prices often means lowering quality of programs.

"The rules of merger are very different in the nonprofit world: the incentives, the outcomes, the advantages -- than in the for-profit world," said Thomas McLaughlin, an author and senior manager at Grant Thornton in Boston who works with nonprofit groups around the country.

"The advantage that nonprofit organizations have in considering mergers and alliances is that they don't have Wall Street breathing down their necks," he said. "The disadvantage is that they don't have Wall Street breathing down their necks."

In 2002, the eight-county region had 3,959 registered 501(c)(3) organizations. That total jumped by nearly 8 percent to 4,297 in 2003, according to the National Center for Charitable Statistics. During the same period, the total combined mergers and dissolutions was just 29.

Buffalo is not unique: Most markets in the U.S. have too many nonprofits. The reason goes back as far as 50 years ago, when the nation's government and philanthropic leaders worked to grow and

multiply social services, health care and cultural groups, working under the philosophy of "letting a thousand flowers bloom," McLaughlin said.

"It's an insane growth curve -- a hugely competitive field now," he said. "But very often it's not to see who can produce the best product but who can deliver the cheapest product to the payer, which tends to be the government."

Cost versus mission

McLaughlin says the thing that's missing from the nonprofit world is a sense of market discipline.

"Now, they're no longer experimental, no longer innovative and cutting edge," McLaughlin said. "Now what's being asked of the nonprofit sector is not to generate program models and innovation, but to produce and be part of the production engine for caring for whatever populations they are focused on."

"The drivers there are cost and quality and funders and the economy in general are demanding low-cost and acceptable quality," he said. "The only way you get low cost is through scale and scale means big."

Ask the nonprofit leaders, and you'll get a very different outlook. Kathleen Pautler runs the Niagara Frontier Center for Independent Living, a \$350,000 agency with 10 staff who provide services to help individuals maintain their independence regardless of disability or other circumstances.

The agency's board and executives have considered merging with other Independent Living centers as well as other agencies that serve the developmentally disabled. They've even gone so far as to meet with several groups to discuss the possibilities, but ultimately opted out.

Pautler said becoming part of a huge organization would diminish the agency's purpose.

"It's difficult to keep the warm, community feeling," she said. "We're supposed to meet the unique needs of each community and even though there are similarities, there are vast differences."

About 75 percent of the agency's board and 90 percent of staff are people with disabilities, making the group uniquely qualified to deliver services to clients.

"We're small enough to keep a pulse on what's going on," she said. "I've been to public meetings where we've run into people working with other agencies and there are so many layers where if the top people, who I often know, ever realized what was going on in the lower layers they would be appalled."

"They're losing some of the basic values and mission," Pautler said. "Sometimes it's (mergers) more about the money of the business versus the reality of the business."

Most groups just flirt

The process can be frustrating at the other end of the scale as well. James Boles, president & CEO at People Inc., has entertained many flirtations with potential merger partners.

"I don't know how many we've talked to but we've talked to most of the local agencies at one time, especially those in our field," he said. "The board members want everything to stay the same and senior staff want everything to stay the same, but they want something. They want your resources, the security of having a large agency and the administrative systems you've developed, but the way they want it would not produce any economic efficiencies. They want to keep everything they have and what you have."

"It's very hard for groups to give that up," Boles said. "It's almost like they're not necessarily thinking, 'Could we serve these people better?' but they're thinking of survival of the organization."

That's not to say organizations aren't working together and creating efficiencies without actually merging. Many agencies are adapting their way of operating through all kinds of collaborations. Nick Everest, an independent nonprofit consultant, has worked with several local agencies to facilitate partnerships and has found that in some cases, merger isn't always the best choice.

"It's not a question of if there's too many or not enough. What you have to say is if you look at the best way of organizing to get the best result for the community, and if you were starting from scratch, would you configure it in exactly the same way it's configured at the moment?" he said. "It's not that anyone hasn't been doing a really good job with limited resources. It's as you look forward, pressures of funding and pressures of changes in programs really demands that there's an examination of ways of keeping the best of what is, but at the same time looking to increase collaborations and synergies between organizations."

So although there are relatively few mergers taking place, there is a lot more collaboration going on than just a few years ago. Most agencies realize the benefits, and the necessity, of such collaborations.

"I see them collaborating extensively and doing a good job of it and the collective learning being put together all the time, which could create the foundation for collaborative administrative activities, where we get the benefit of program synergies and reduced overhead and administrative costs," Everest said.

Working together to cut costs

The Not-for-Profit Resource Center at the United Way is building programs to make those collaborations happen more frequently. The Community Connect program was piloted two years ago with seven agencies to provide technological advancements using the larger group's collective buying power. Already the group has reduced its technology training costs by 60 percent with 1,600 combined staff.

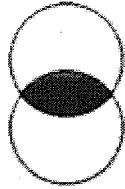
Beginning April 1, the agency will enroll up to 50 agencies in the program, starting with members of the United Way's Agency Executives Association. The agency is also working on programs or funding to support groups who indicate an interest in having a dialogue about mergers, but who lack the funds to dedicate the time to the process.

"It is very time consuming and people run out of steam because to some degree, there may be an expectation it's going to happen quickly or not going to require a large amount of energy," said Arlene Kaukus, president of the United Way of Buffalo & Erie County. "The willingness has always been present, but the environment is so tenuous for so many organizations because the dollars are tight and the needs are growing and so it is really incumbent on all of us to be as resourceful and as

innovative as we can. Looking for and searching out opportunities to do things together, it's an imperative. It's no longer a choice."

McLaughlin maintains that for mergers to happen on a more regular basis there needs to be some pressure, either from funders or from board members. Unfortunately, most wait until a financial crisis when they're forced into a corner, creating the type of environment where they're almost doomed to fail.

"That's what really causes this financial train wreck, and very unfortunately, because if you could back up a year or two or three, you could have gotten to a much happier ending a lot more readily."



Successful Integration of Merged Organizations

In today's fast-paced business environment, there have been a large number of mergers, acquisitions and other forms of major organizational change. Lately, hardly a day goes by that yet another merger or acquisition has been announced in the news. These happen to large companies as well as small companies. The initial reasons for these mergers are generally to accomplish one or more of the following: increase productivity; take advantage of the strengths of each company; be stronger and more competitive; or, gain synergy not otherwise available had both companies remained independent.

It has been estimated that over 50% of these mergers do not achieve the benefits and goals that were initially planned! That is quite a statistic. Yet, organizations continue to jump on the merger bandwagon fully believing that they will achieve the stated goals. The same can be said for the combining of departments within an organization or the centralizing of like functions (such as finance, marketing, sales, purchasing, etc.) of commonly owned companies. These changes are designed to create or improve efficiency, save costs and take advantage of well designed processes, yet unforeseen circumstances and events cause disappointing results.

What then can be done to increase the chances of success of such an organizational change as described above? The following ten steps will help ensure the successful integration of merged organizations:

1. Develop a crystal-clear mission and purpose of the new organization. Develop 3-month, 6-month and one-year goals of the new organization. These mission statements and goals should be so clear that it is virtually impossible for employees, management and customers to misunderstand the purpose. Define the expected culture and operating style of the new organization. Gain senior management commitment as to how they will evaluate the success of the new organization.
2. Establish an integration team who is charged with developing plans, projects and tasks to ensure the successful completion of the integration. This team should be given the financial and time resources to accomplish this critical step in the process. Depending on the size and complexity of the integration, this could be a full-time assignment to some or all members of the team.
3. Develop a communication process that will keep employees, management and customers informed of the progress of the integration. Accept the notion that there is no such thing as over-communication.
4. Identify obstacles to success. Gather the implementation team for a brainstorming session that will flush out all the possible obstacles and issues. Then, with each obstacle clearly identified, develop action plans that will prevent the obstacle from even developing in the first place.

5. Identify and define the processes of each of the merging units. Resolve to utilize the process which is truly the best without regard to where it comes from. Sometimes the best process actually comes from combining ideas from multiple sources.
6. Make it a standard operating procedure to evaluate each decision against the stated mission of the newly merged organization as a test of the correctness of the decision. Evaluate the decision-making process against the desired culture the new organization has decided to create.
7. Allow the staff to express their worries, fears and anxieties about the merger. Also allow them to express their ideas, suggestions and possible roles that they may be interested in assuming. People will be more committed and motivated to work harder if they feel as though they have been part of the solution.
8. Define the competencies needed of the management team in the merged organization and work to assess current management against those competencies as quickly and as objectively as possible. If there are to be any staff changes, decide and communicate those changes as quickly as possible, but not later than three weeks after the merger has been announced.
9. Identify some quick wins early in the integration process. Celebrate and publicize those wins to everyone as a means of boosting morale and enhancing productivity.
10. Utilize positive communication styles such as providing honest feedback whenever possible, addressing rumors as soon as possible and avoiding the secret meetings whenever possible.

Would you like to discuss this topic with the [author](#)?

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The MacMillan Matrix for Competitive Analysis of Programs

High Program Attractiveness		Low Program Attractiveness	
High Alternative Coverage	Low Alternative Coverage	High Alternative Coverage	Low Alternative Coverage
1	2	5	6
3	4	7	8
9	10		
Strong Competitive Position			
Weak Competitive Position			
Good Fit			
Poor Fit			

1. Aggressive Competition
2. Aggressive Growth
3. Aggressive Divestment
4. Build Strength or Get Out
5. Build up the Best Competitor
6. "Soul of the Agency"
7. Orderly Divestment
8. "Foreign Aid" or Joint Venture
9. Aggressive Divestment
10. Orderly Divestment

Mission Statement

MacMillan Matrix	Questions to Consider	Program 1	Program 2	Program 3	Program 4
Fit (good/bad)	<p>How central is this program to the purpose, mission & vision of the organization?</p> <p>Does the program draw on existing skills in the organization?</p> <p>Can this program share resources and coordinate activities with other programs?</p>				
Program Attractiveness (high/low)	<p>Does this program have:</p> <ul style="list-style-type: none"> High appeal to groups capable of providing current and future support? Stable funding? Market demand from a large client base? Appeal to volunteers? Measurable, reportable program results? Focus on prevention, rather than cure? Able to discontinue with relative ease, if necessary (low exit barriers)? Low client resistance to program and services? Intended to promote the self-sufficiency or self-rehabilitation of client base? 				
Alternative Coverage (high/low)	<p>How many similar programs, offering similar services, exist in the immediate area?</p> <p>Are there many competitors offering services?</p> <p>If there are no other large, or very few small, comparable programs being provided in the same region, the program is classified as "LOW Coverage." Otherwise, the coverage is "HIGH."</p>				
Competitive Position (Strong / Weak)	<p>What is the degree to which the organization has a stronger capability and potential to deliver the program than other agencies - a combination of the organization's effectiveness, quality, credibility, and market share or dominance. No program can be classified as being in a strong competitive position unless it has some clear basis for declaring superiority over all competitors in that program category.</p> <p>Criteria for a strong competitive position include:</p> <ul style="list-style-type: none"> Good location & logistical delivery system Large reservoir of client, community, or support group loyalty past success securing funding superior track record (or image) of service delivery Large market share of the target clientele currently served Gaining momentum or growing in relation to competitors Better quality service and/or service delivery than competitors Ability to raise funds, particularly for this type of program Superior organizational, management and technical skills needed for the program Superior local contacts Ability to conduct needed research into the program and/or properly monitor program performance Superior ability to communicate to stakeholders Most cost effective delivery of service 				

Program	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6
Mission						
Org's Responsibility						
Volunteer Time						
Staff Time						
# of Volunteers						
Value of Services						
Client						
Clients Reached						
Regions Served						
Annual Program Cost						
Funds Supported						
Demand for Services						
Competitors						
Potential Partners						