

Project Pointers

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As many of you know, I have supported several nonprofit strategic partnership projects. As a new consultant many years ago, I would not have imagined that I would be blessed with seven of these fascinating, rewarding assignments. My colleagues Tony Dattilo and Mary Campbell took a chance in selecting me to work with them on the merger of their behavioral health organizations and I thank them often for opening this door. Because so many people have asked me about the process and what works best, the next few newsletters will address formal partnerships. I will be discussing philosophies, processes and nuts-and-bolts issues related to the continuum of formal partnerships. But I am most often asked what I've learned about mergers and how my work has changed as a result. So I will address these more personal merger "lessons learned" first.

Nonprofit Mergers: The Top Ten Things I've Learned

- 1. They're all different.** While certain issues must be addressed during any merger, the individual merger processes can vary greatly. The planning steps can be structured to fall within two phases or up to seven phases, terms may be defined differently, staffs may be involved at different times and the level of involvement of the executive directors may vary. Some groups prefer to begin working on tasks; some groups prefer to spend a lengthy time on visioning first. The process works best when the merger planning group decides for itself how to tackle the work. Experience is always helpful in terms of big picture thinking, but I have not seen any two

projects that worked the same way. This is fundamentally positive, because an individualized approach can best address culture, history and goals. This is definitely not cookie cutter work.

2. Structure and passion can co-exist. There is no inherent conflict between creative passion that is focused on the mission and a structured, intentional merger exploration process. Merger tools are not symbols of a cold, uncaring board or staff. Bringing order and focus to complicated discussions actually frees energy and liberates participants to deliver services to clients. The structure offers security and order in the midst of so much change.

3. The process is more important than the outcome decision. How participants experience the merger exploration process, from the beginning through a vote to merge, is key. An inclusive process allows people to feel valued. Regardless of the conclusion, people want to participate in a thoughtful, organized process. They will remember attention to details and sensitivity, knowing that things were done the right way. This attitude impacts how people regard and support the new organization.

4. The most important issue is how the Executive Directors feel during the merger process. Even the most seasoned, respectful colleagues are bombarded by an array of emotions during the merger discussions. The leaders may anticipate their reactions to change or assume they can logically work through feelings of loss - until the process takes off. This is a highly personal, emotional journey, especially if one of the directors founded the nonprofit. These responses are common, even predictable, but they greatly impact the staff and board. I now routinely recommend individual executive coaching for each leader, an investment that supports the individuals as well as the likelihood of a successful merger.

5. A neutral party must facilitate the process. It is unusual for two organizations to effectively negotiate merger discussions without the assistance of a dedicated facilitator. An outsider offers objectivity and can ask difficult questions that seem less threatening. He or she may also be the resident "listener," the one person to whom everyone is speaking and sharing. An accomplished volunteer can provide solid facilitation support at a savings, but the volunteer should not be a board member of either organization.

6. Involve the staff early and often. There is always a delicate balance between sharing vague, potentially upsetting news and waiting too late to tell the staff what is occurring. In general, it's best

to share the possibility of a merger early. At a practical level, it is very difficult to hide what is going on and they will know anyway-- often hearing inaccurate rumors. Mainly, they bring expertise, creative energy and emotional support. I've seen extraordinarily kind gestures as people have "risen to the occasion" and made stronger commitments to their colleagues during this work. Let them help with the process even if you are not sure of the outcome.

One special staff issue arises early on. Groups greatly under-estimate the amount of administrative support required for all phases of a merger. Meetings, research, minutes, policies, reports, databases, etc.- it all requires ongoing, dedicated support from your best folks.

7. Grief is part of the journey. Yes, it's exciting. Yes, the new entity can expand the continuum of services for clients and enhance funding possibilities. But the merger process is filled with loss and change. Traditions, holidays, social events and supervision philosophies vary. Not everyone wants to work in a new organization when they feel the current one already functions with high standards. And people wonder if their job will be different-- or if they will have one. It is important to acknowledge the role of grief and to build in moments when people can safely talk about it.

8. A decision against merging is not a failure. It is not unusual for organizations to spend six months in the merger exploration process and then decide to not merge. In some cases, people have worked for a year and then voted no. Why? There are as many reasons as organizations but it often comes down to one simple reality: the merger just does not feel right to key participants. In most cases, it actually takes six months to decide this is not a good fit -- groups simply cannot know in advance because the process yields data and dynamics.

At another level, it is common for each organization to emerge with a stronger sense of mission and excellence. Strengths are made clear, the staff is more cohesive and donors may be more engaged. So instead of being perceived as a waste of resources, the merger process may bring invaluable development. This often results in a new, focused strategic plan.

9. Some people may leave--and that can be ok. Merger work begins with the wish and expectation that staff will be retained. I have never seen a merger used as an insidious plan to fire anyone. As the details emerge and the new entity's organization chart evolves, some staffing changes are inevitable. This usually means

that people see their duties change somewhat, perhaps through promotions. Employees are excited about growing their skill sets and doing something new and fun. The merger process also offers staff and board members an opportunity to decide if what they bring fits well with the new direction. If a few people have been less than engaged or performed at marginal levels, the many changes may simply be more than they can accommodate. Their departures open the path for people who bring new skill sets and energy. This is a normal, healthy result of organizational change.

10. The hardest phase follows the merger vote. The many steps leading to a merger vote are exacting and time consuming. But they are largely theoretical, as the group is making a decision to follow what appears to be a good idea. Turning this idea or goal into daily reality can be overwhelming and may take up to two years. In addition to combining the cultures of two organizations, every system, procedure, policy and detail must be examined. This results in hundreds of decisions about how things work and what happens next in the new entity. This phase can be especially challenging for any staff members who are wedded to the past.

I look forward to sharing more about strategic partnerships and encourage you to call if you would like to discuss any related issues. Happy summer!

Best wishes,



Workshop Announcements

Project Management Workshop

On July 15, Marta will be presenting a project management class to the International Association of Administrative Professionals chapter of Cincinnati Children's Medical Center. Interested employees of Children's should contact Juanita Hunter, CPS/CAP, at

hunter.jm@cchmc.org.



Marta's popular Successful Project Management workshop will be offered on Tuesday, December 8 - 9:30 a.m. - 12:30 p.m.

at The Health Foundation of Greater Cincinnati

3805 Edwards Road, Suite 500, Cincinnati, OH 45209

Register online at: [Workshop Registration](#)

Working With Difficult People

Marta also teaches Working With Difficult People. Please contact her to learn how this class is customized to meet the needs of individual organizations. Additional information is available on her [website](#).

Resource Highlight:

After a career as CFO of various nonprofits, Cathy Beltz put the world of spreadsheets behind her to be a candy maker. Some of the recipes are tried and true; others are Cathy's own creations. 1893 House Handmade Sweets are a unique way to thank donors and board members, use as fundraisers or event table favors, or make into gift baskets. Her signature candy is a dark chocolate cup filled with intense raspberry, topped with milk chocolate and crushed pecans - aptly named Raspberry Decadence. www.1893-house.com. 513-708-1216.

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