



## **ESC COLLABORATION AND MERGER CONSULTING**

[www.nonprofit-consultants.org](http://www.nonprofit-consultants.org)

*ESC works with nonprofit organizations to improve their effectiveness by providing affordable management consulting solutions delivered by experienced executives and professionals who donate their time and expertise.*

### **WHAT IS MERGER CONSULTING?**

It is a systematic process to help a nonprofit explore a merger or collaborative venture, identify and qualify potential partners, facilitate merger discussions, structure the new entity, close the transaction, and coach on implementation.

### **WHY SHOULD WE CONSIDER MERGING?**

The best reasons are achieving economies of scale, providing a broader continuum of services, achieving better strategic positioning for fundraising, increasing resources for advocacy, obtaining help in meeting regulatory requirements, achieving a critical mass, and access to technology.

The most common reason for mergers is a crisis, where the only way to preserve programs is to move them to a more stable entity. In some cases there is a push from key funders to consolidate important services. ESC can help to stabilize a crisis situation and determine if there is a suitable partner.

### **WHAT DO ESC CONSULTANTS BRING TO THE PROCESS?**

We provide a structured way to work through the process that insures that all relevant issues are addressed. We can work with Staff and Board on readiness. We can facilitate discussions in a way to build the trust. We can surface honest answers to critical issues. We can deal with personal feelings and hidden agendas that often derail the process. We can use our experience in helping plan a new organizational structure.

### **WHAT ARE THE CHARACTERISTICS OF A GOOD MERGER?**

During the process, building trust between the partners is critical. The benefits of the merger need to be clearly understood and articulated. The obstacles need to be surfaced and dealt with. As the process continues the participants need to find a win/win formula. As the process concludes, promoting buy-in to board, staff and stakeholders is critical.

### **WHAT ARE THE CHARACTERISTICS OF MERGERS THAT DO NOT GO TOGETHER?**

Even when there is an alignment of missions and clear benefits, many seemingly beneficial mergers are not completed. Often board members or founders do not want to give up control. Sometimes a culture clash or concerns about roles after the merger can derail the discussions.

### **WHAT STRUCTURES BESIDES A MERGER SHOULD WE CONSIDER?**

There are a number of potential structures including collaborating on a project, client/vendor, joint ventures, operating agreements, partnerships, and associations. Often these can be a step on the way to a merger. ESC can help you find the right solution.