One Plus One: Making the Case for Mergers and Strategic Alliances

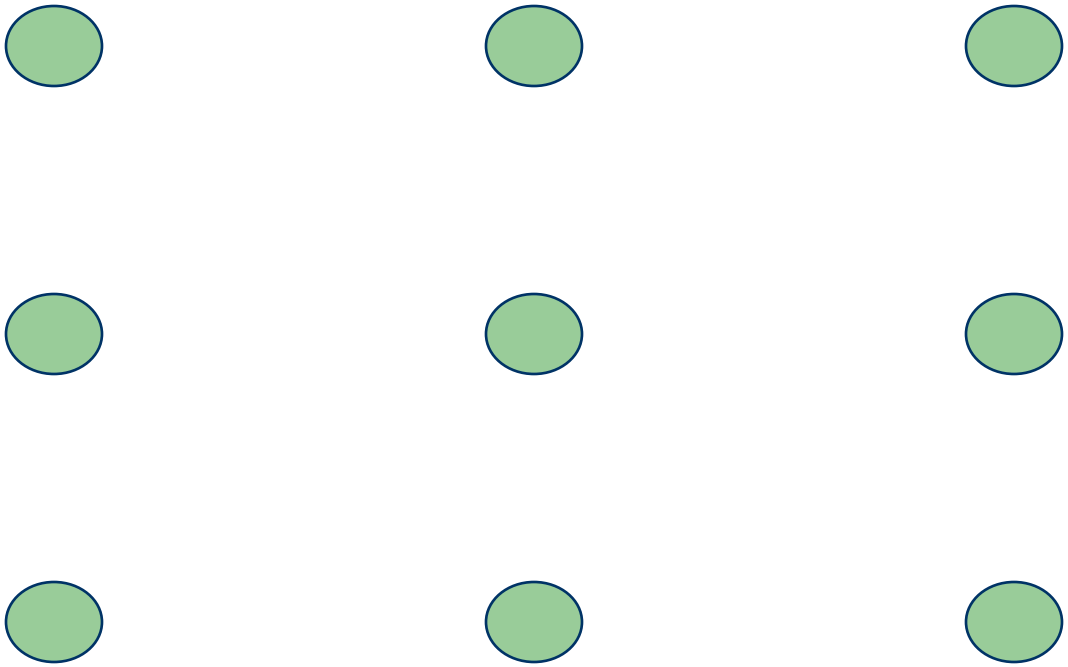
October 8, 2026

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Icebreaker – Nine Dots



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Objectives

- Discover the basics for successful collaborations/partnerships, including Mergers and Alliances
- Identify a strength-based approach to self-assessing a collaboration/partnership.
- Lessons Learned from successful Alliances & Mergers
- Examine typical challenges with developing and implementing a partnership.

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About Speakman Management Consulting

- Facilitate the development of effective plans, partnerships and people for small-to-mid sized organizations. Our organization services will include:
  - Non-profit merger and strategic restructuring
  - Strategic planning and implementation
  - Facilitation of retreats and other working sessions
  - Personal Development, Training and Coaching

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Changing Nonprofit Environment

- Rapid growth in the number of nonprofits – increasing competition.
- Increasingly complex and expanding needs.
- Increasing government devolution.
- Lack of corresponding increases in funding.
- Increasing funder pressure to collaborate.
- Difficulty in retaining staff and board leadership.
- Increasing public scrutiny, including the press

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Definitions

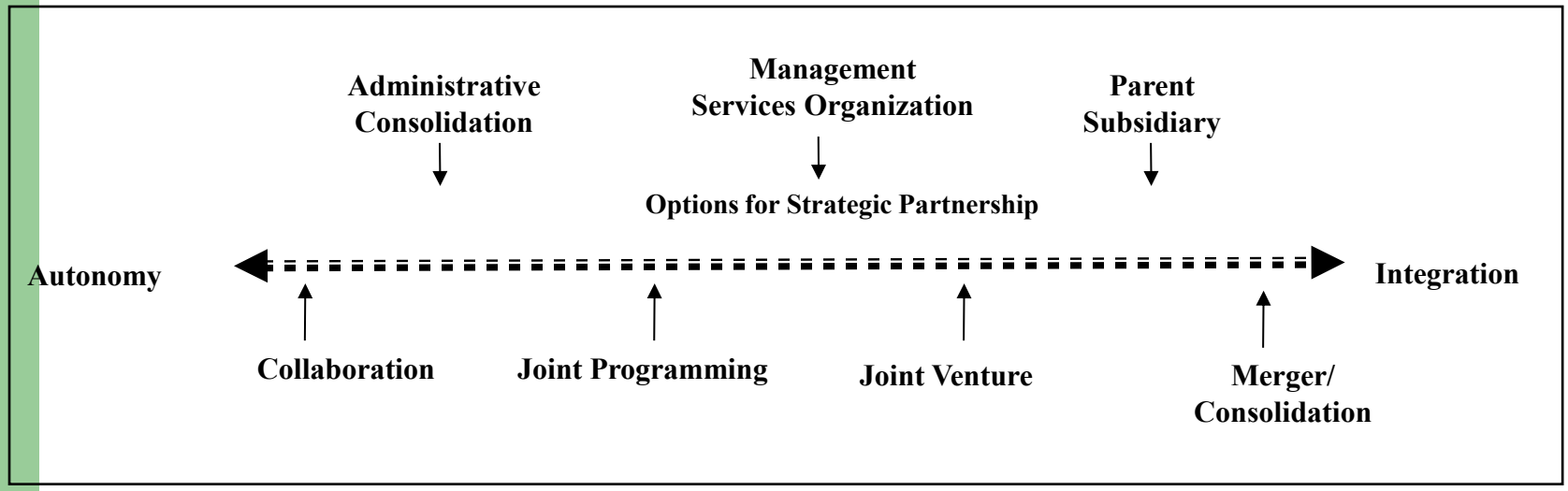
- Strategic Partnership = on ongoing relationship involving two or organizations to increase administrative efficiency or further missions through shared/transferred or combined resource, services and programs
- Collaboration/Coalition = people from different organizations (or different functions in the same organization) working to produce results through joint effort, resources, decision making and ownership of the results.
  - Goal of is to produce results that cannot by working alone.
  - More than coordination
  - More than short term or tactical

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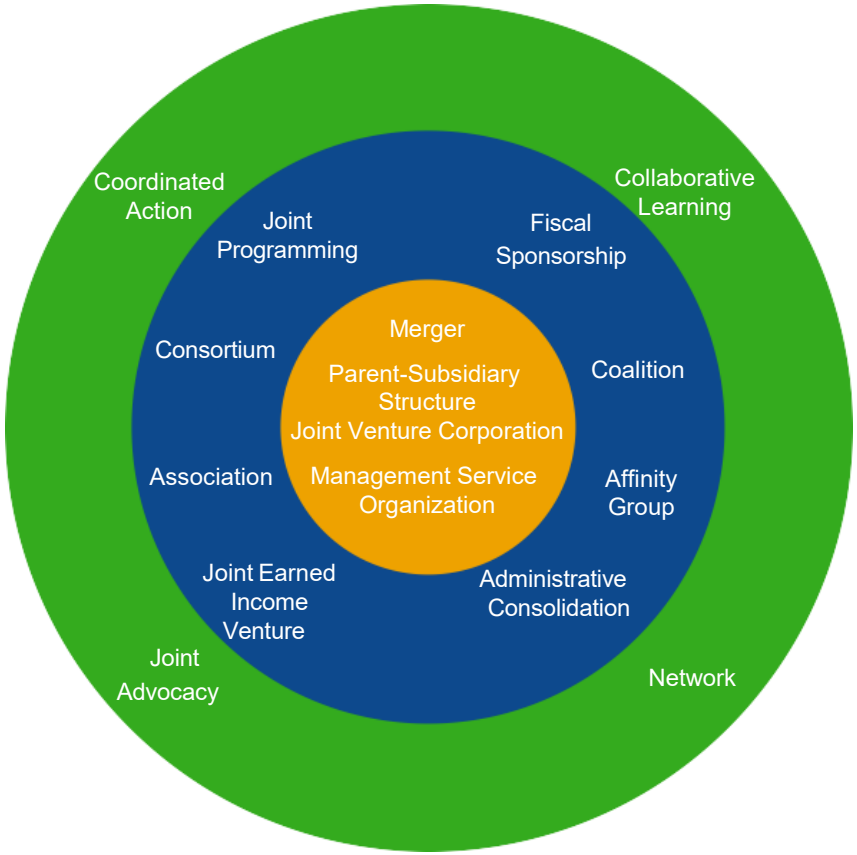
Definition

- Strategic Alliance: Partnership which involve change in operations, programs, decision making, or all, but not governance.
- Merger: Partnership which involves change in operations, programs, decision making, and which ultimately results in consolidation on the corporate level (governance and control)

Strategic Partnership Continuum



Collaboration & Partnership Options



Collaboration

Alliance

Strategic Restructuring

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Partner or Compete

- Organizations the community perceives as similar = either partner (more than just collaboration) or compete
- Ethical and constructive competition - determine your competitive advantage
- Determine how to keep your competitive advantage with key stakeholders

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Stick to your Niche – Partner for Rest

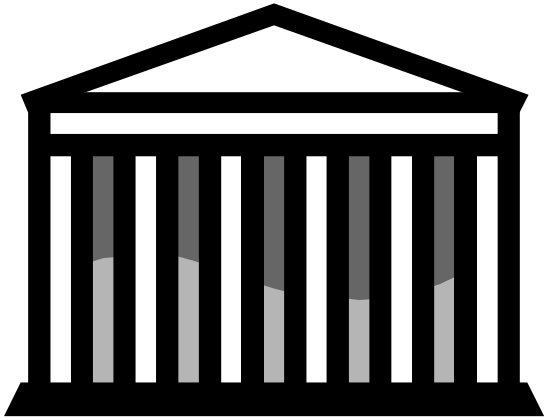
- Determine how to compassionately compete with those the community views as competitors
- Explore partnerships with ‘Competitors’ or other organizations to address your weaknesses and/or unmet client needs Employ ethical and constructive competition



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Architecture for Collaboration/Coalition

- Solid Foundation in place
- Sound relationships among partners
- Worthwhile results
- Constituency for collaboration
- Collaborative leadership and principles



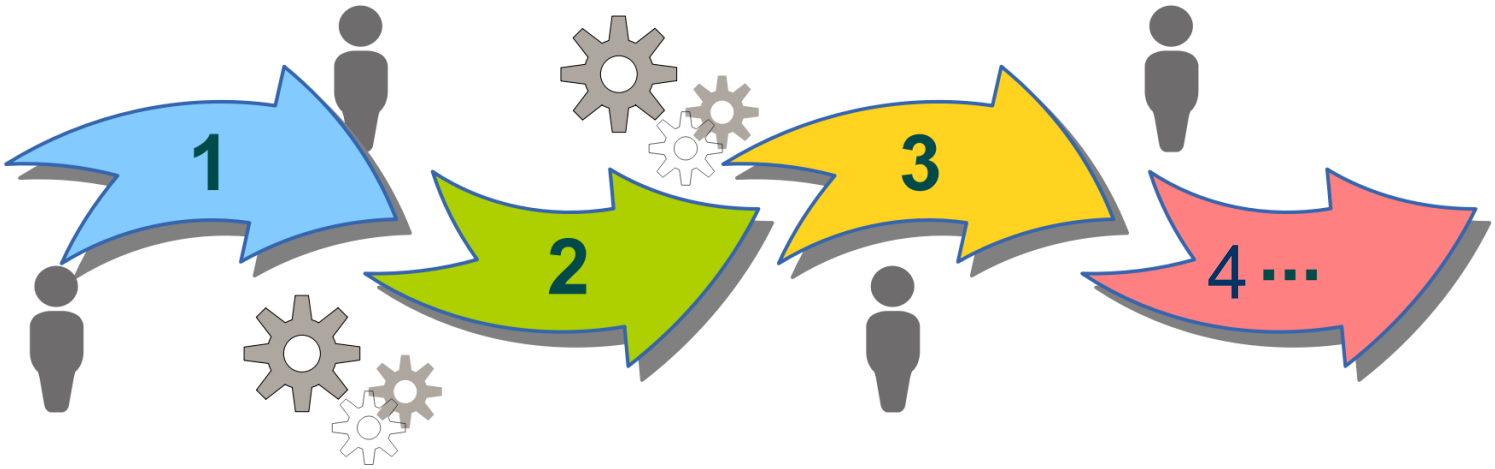
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Life Cycle of Collaboration/Coalition

- Phase 1: Courtship – “Should we..” – focus on basics, open environment, WIIFM for partners, establish boundaries
- Phase 2: Getting Serious- “How do we..” – create structures, form relationships, get to know the ‘family’, communicate to stakeholders, address those threatened
- Phase 3: Commitment – “Us and not you and me” - support sustainability (funding, staff), partners make △s back at home, integrate info systems, measure/report outcomes
- Phase 4: More than us – Partners internally grow from collaboration, produce other collaboratives

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MORE FORMAL PARTNERSHIP PROCESSES



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Partnership Process

- Phase 1 – Feasibility/Assessment Study.
- Phase 2 – Negotiate a Partnership.
- Phase 3 - Plan for Restructuring.
- Phase 4 – Implementation.

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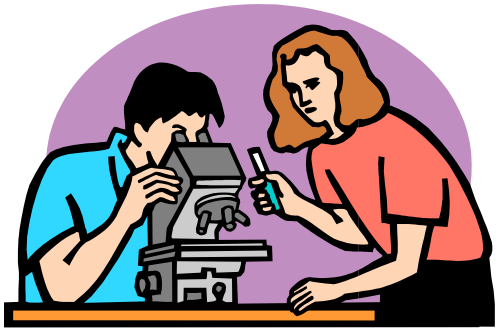
Getting Started

- Is the timing and reason right?
- Are you internally prepared for a partnership – assessment?
- What is the purpose?
- What is the best partner to meet the purpose?
- Is a partnership feasible?

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Phase 1 - Feasibility/Assessment

- Step 1 – Define the current internal and external situations; assess needs and opportunities.
- Step 2 – Partner assessment for partnership potential.
- Step 3 – Determine partnership purpose and commit to negotiation.



Internal Situation Analysis

- Purpose of the partnership
  - Client or organizational issues to address through a strategic partnership.
  - Outcomes desired from the strategic partnership.
  - Criteria for partners and a successful partnership.
  - Concerns/Challenges
  - If not partner, how to address issues
- Do you meet internal key success factors?
- Consensus on key issues and outcomes.
- What you bring to the table – strengths.

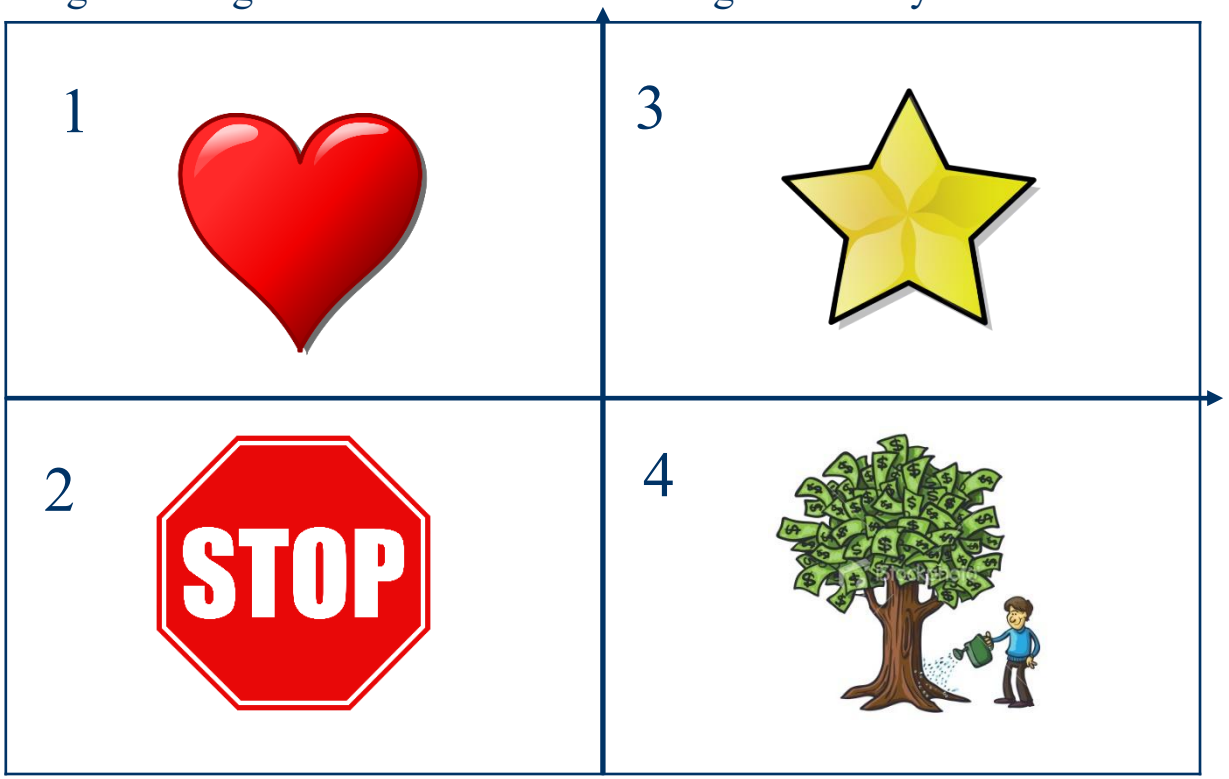
Situation Analysis - Internal

- Determine your Organizational Strengths and Weaknesses
  - Mission and Vision
  - Programs/Services
  - Human Resources
  - Finances – including financial ratio analysis
  - Development/Fundraising
  - Communication/Marketing
  - Operations
  - Partnerships/Collaboration
  - Other



PROGRAM MISSION vs. MARGIN

Based on your analysis, assess each program on both mission impact & margin – both gross margin and likelihood of funding – currently and in the future



Partner or Not

DECISION		ACTION
Motivated to address issues to enhance mission & impact	No →	Stop
↓		
Consensus on clear, specific desired outcomes	No →	Clarify outcomes
↓		
Meet internal success factors	No →	More internal assessment & improvement
↓		
Do you have time & resources for partnership process	No →	Reassess importance
↓		
YES - PROCEED		

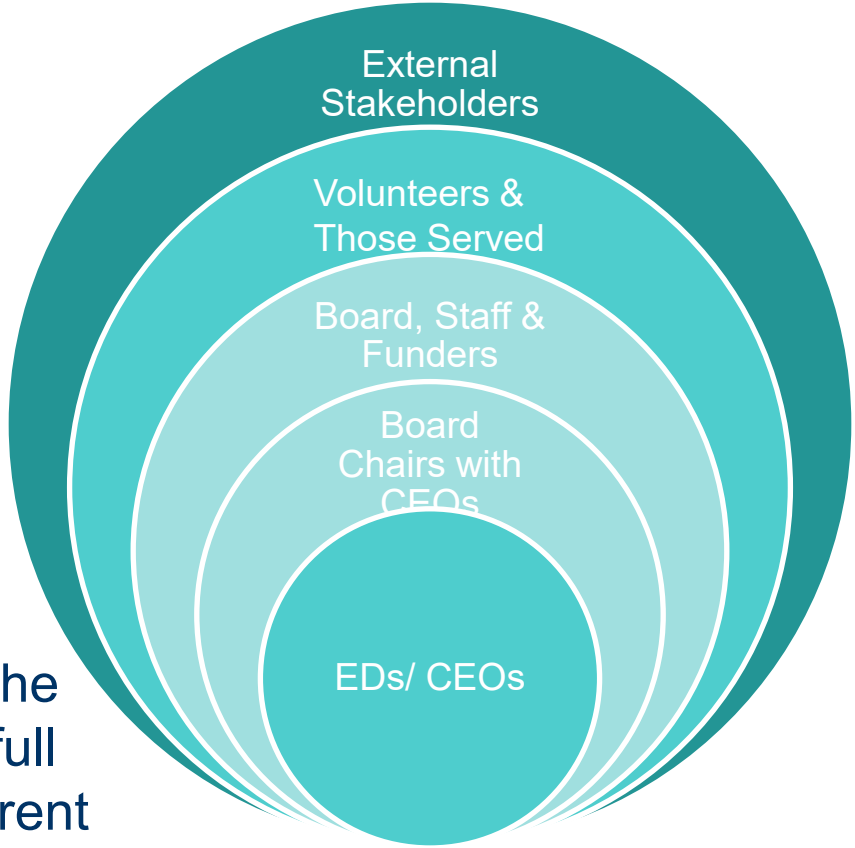
Internal Key Success Factors

- Staff/board member champions the process – preferably board.
- Positive past collaboration experiences.
- Board support/encouragement.
- Organizational risk taking.
- Growth orientation.
- Positive board-ED relationship.

Source: Strategic Restructuring Study, Kohm, et al.

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Concentric Circles of Support



Do not move to the next group until full support from current group

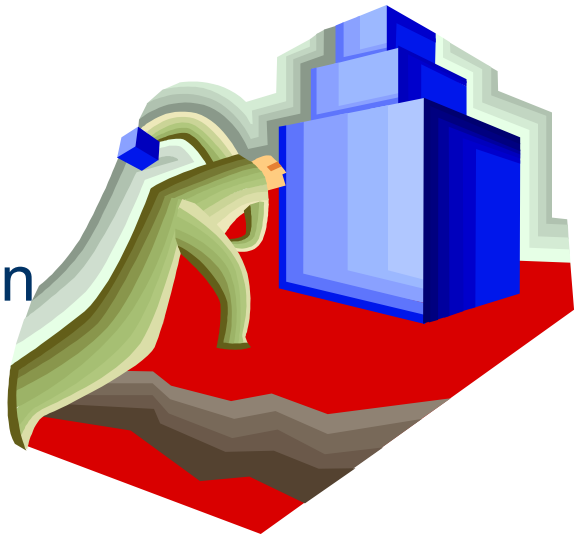
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Partner Assessment

- ID potential partners based on your purpose.
- Communicate interests.
- Evaluate
  - Past experiences.
  - Degree of trust.
  - Complementary Partner strengths and weaknesses.

Purpose and Good Faith

- Develop a Joint Partnership Task Force.
- Agree on purpose of the partnership.
- Board Authorization/resolution to negotiate
  - Timeframe.
  - Purpose of partnership.
  - Key Partnership Criteria.
  - Commitment to communication
  - Confidentiality agreement.



Phase 2 – Negotiate a Partnership

- Step 4 – Complete due diligence for all partners.
- Step 5 – Joint Task Force negotiates key issues.
- Step 6 – Socialize the recommendations with entire board & key stakeholders.
- Step 7 – Joint Task Force develops a partnership agreement voted on by boards.



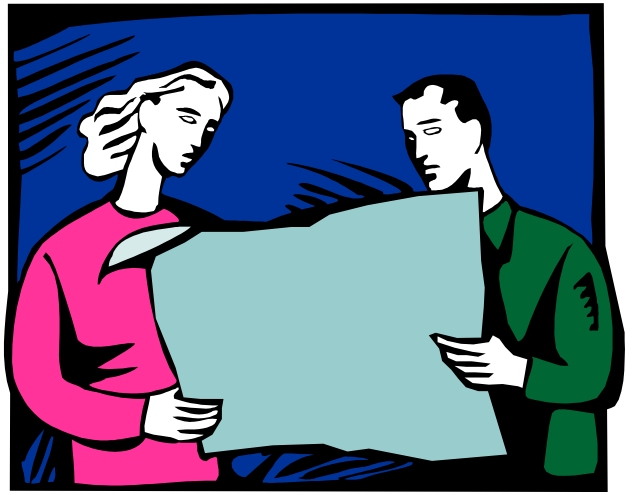
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Common Issues

- Governance Issues – control.
- Financial issues.
- Program Issues.
- Human Resource Issues.
- Capital Issues.
- Communication Issues.

Phase 3 - Plan for Restructuring

- Step 8 – Develop the partnership's implementation plan.
- Step 9 – Develop structures and processes for implementation.



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Planning

- Complete a Strategic planning process for the partnership.
- Prioritize for initial implementation
  - Plan for small initial successes.
  - Plan for needed infrastructure.
- Develop annual plan of action for priorities
  - Goals.
  - Action Steps.
  - Timeline.
  - Responsible Persons.

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Phase 4 - Implementation

- Step 10–Implementation and cultural integration.
- Step 11 – Monitor and evaluate.



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Implementation

- Board integration, including board leadership.
- Organizational Integration.
- Working Task Forces meeting regularly.
- Individuals implement according to plan.
- Transition Team to oversee/coordinate implementation.

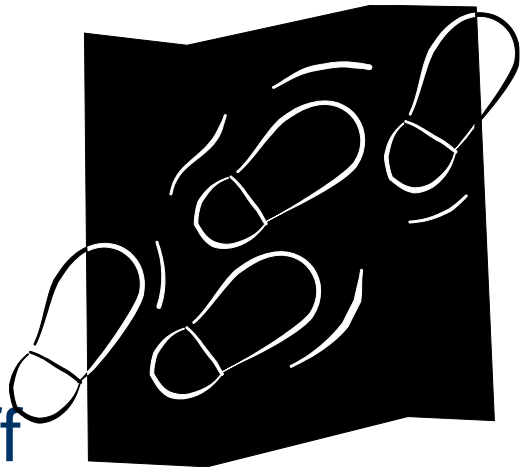
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Cultural Integration

- Create joint staff opportunities
  - Form joint cross-functional teams.
  - Social activities.
- Review each other's organization values/norms.
- Jointly create new culture – start anew
  - New Values.
  - Build new traditions.

Monitor and Evaluate

- Develop performance measurement outcomes.
- Board to evaluate performance measurement outcomes.
- Celebrate successes.
- Quarterly meetings of board/staff leadership to review progress.
- Annual retreat to review Strategic Plan.



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A SUCCESSFUL STRATEGIC ALLIANCE

Linda Taylor

Implementation Lessons Learned

- Dedicated person on staff to lead process.
- Communicate more/better.
- Prepare for implementation difficulty, including potential lost staff.
- Engage ‘outside’ assistance.
- Work on WIIFMs.
- People issues more important than tasks .



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Key Challenges - Fears

- Autonomy
  - Fear of loss of control.
  - Fear that quality or services will change.
  - Fear of loss of identity.
- Self-Interest = WIIFM
  - Fear of loss of employment, self-esteem, security.
  - Fear of loss of attachment to organization – especially for founders.
- Culture Clash
  - Fear of different of competing values.
  - Mostly a barrier after agreeing to partner.

Common Partnership Mistakes

- Conducting formal discussions without board approval.
- Merger negotiations without partnership purpose clarity.
- Not acting like equals – one organization taking a superior attitude and approach
- Withholding organization information from our partner.
- Breaking the confidentiality agreement.
- Adding members to the Task Force after process has started.
- Allowing the process to take to long.
- Too much inactivity between meetings.
- Inadequate number of key stakeholders, especially staff.
- Not keeping the board properly updated.
- Not involving third-party neutral assistance.

Linda Taylor and HOMES

Q & A

Thank You!

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