

The Upsides of Nonprofit Mergers

Rethinking Conventional Wisdom

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Why Merge ?

- **To meet the needs of consumers**
- **To respond to changing community conditions**
- **Strengthen leadership**
- **Respond to funders**
- **Improve funding base**
- **Create economies of scale**

Consider merging under favorable market conditions, where....

- Many nonprofits providing similar services
- Many smaller players lacking infrastructure
- High degree of competitive pressure
 - Nonprofit's performance is measurable
 - Funding source is impersonal (i.e. government)
- Barriers to growth
- Paradigm shift in field of services

You are most likely to succeed if you...

- **Have long-term expectations of cost savings**
- **Think about strategy and mission-enhancement rather than relieving financial pressures**
- **Understand that leadership and staff positions will be restructured**
- **Have evidence to support the belief that things will improve...for consumers, staff and the community at large.**

Questions to ask before a Merge

- **Will the merge improve services, stabilize funding, respond to new needs?**
- **Are the missions, visions and cultures of the agencies compatible?**
- **Will the merge enhance sustainability?**
- **What will the organization look like after the merge?**