



(photo – Don Crocker-Sandy Hook Gateway National Park)

New Designs for Changing Times Is Organizational Redesign in the Air? (by Don Crocker)

At a Support Center forum on organizational redesign in New York City, Judy Alnes of MAP for Nonprofits in Minnesota, highlighted some key findings of research conducted by MAP for Nonprofits and Wilder Research examining forty-one nonprofit mergers. The aim of this research was to add to the sector's understanding of mergers.

Merger is defined as the integration of two or more separate organizations into one legal entity; in other words, one organization would cease to exist. The mergers in the study had to include a transfer of programs or services and of assets or staff. Here is some of what the study found:

93 % of participating organizations said they pursued merger to increase service delivery.

93 % reported that they wished to secure through merger the long-term financial viability of one of the merging partners.

75 % said their reasons included the salvaging of services that might otherwise be lost.

56 % sought to expand services to new markets and 29 percent sought to expand the types of services they could offer to consumers.

Only 7 out of 41 participating organizations reported that merger was motivated in part to expand their donor bases. Eight were looking for greater staff expertise and five for additional physical space.

What were some of the "success" factors in pursuing a merger?

- Executives were the key to the success of a merger. Of the mergers studied, 85 percent had an executive "champion."
- Strong working relationships between executives prior to merger predict key post-merger outcomes, including service preservation, improved image, and financial stability.
- While boards are seldom unanimous in their willingness to pursue merger, strong board involvement prior to a merger predicts improved image or reputation following the merger.
- Seeing potential mutual gains prior to merger is associated with better organizational alignment after merger.

While some of the most exciting redesign does take the form of merger, mergers are not the only options for redesign. Joint ventures, strategic alliances, and administrative consolidations are also paying off big-time for nonprofits today!

To view the full "Success Factors in Nonprofit Mergers" report conducted by Maps and Wilder Research, click here:

<https://www.issuelab.org/resources/14110/14110.pdf>



(Don Crocker is a Senior Fellow for the Support Center, a thriving community of nonprofit leaders and social innovators committed to organizational excellence and a shared vision for a better world, and for Services for the Underserved, a nonprofit organization that transforms the lives of people with disabilities, people in poverty and people facing homelessness: envisioning a city where everyone has a roof over their head, is healthy, productive and can enjoy the social connections that create a life of purpose.)