

Issues to be Negotiated in a Merger

Governance

- What is the mission of the new organization?
- What is our vision for the future? (How will things be better together?)
- Who will be on the merged board of directors?
- How many board members will there be?
- Who will be the officers in the first year?
- What committees will we have?
- How will we legally structure the merger?
- What will be the name and logo of the merged organization?
- What will be the role of our advisory board?
- What will be the effective date of the merger?

Financial

- Which accounting system will we use?
- Is the other group in debt?
- Will we need as many finance office staff?
- Will we need new software or hardware?
- How will our information system needs be met?
- What do the audits tell us about the organizations' financial health?
- Is anyone suing the other group?
- Do both groups have adequate insurance, especially directors & officers coverage?
- What do our donors/funders think of the merger?
- Is there overlap in our donors or funders?
- What are the terms of our endowments relative to a merger or dissolution?

Human Resources

- Who will be the executive director?
- What will happen to the other senior staff?
- How do our pay and benefits stack up against the other group's?

- What personnel policies will we use?
- How will we maintain staff morale throughout the process?
- How will the presence of a union in one organization impact the other?
- What roles will each manager play in the new structure?
- Will anyone lose a job as a result of the merger; how will we handle severance?
- Will the two staffs work together well?
- For purposes of retirement vesting will time worked in the other organization count?
- Will our carefully protected “at-will” status be weakened by merging with them?
- Will our staff still get a pay differential for being bilingual?

Capital

- What will happen to our current office space when the lease is up?
- Do we need additional space? Where will we put all those people?
- What is the status of all properties occupied or controlled by each group?
- Do we have too many copiers? If we merge, can we get out of some copier leases?
- Which office will be headquarters?
- How will we address the other organization’s deferred maintenance needs?

Programmatic

- Will all of our programs still be offered?
- Will we consolidate or close any program service sites?
- Do we tend to agree in our approach to programming?
- Can we do staff training jointly?
- Will programs be improved or expanded as a result of the merger?

Communication

- What should we tell our employees during the process?
- Should we issue a press release to inform the public?
- What opportunities for marketing will the merger create?
- If we don’t merge, how will we end the discussions without a PR disaster?