Nonprofit Merger Integration Activities

Board of Directors

Board integration is the process of creating a new, effective Board of Directors from the Boards of previously separate organizations. It involves the creation of a new cultural identity, as well as new roles and responsibilities. Most importantly, it involves developing a sense of shared ownership for the merged organizations.

Activities involved include:

- Clarify and agree on the new organization's mission, vision, programs, character, etc. Arm every Board member with the information needed to be an ambassador to the community for the new organization and a supportive leader for the staff.

- Assess the Board composition and determine what new skills and characteristics are needed. Develop a recruitment plan that serves the new organization's needs.

- Review each Board's prior practices, and then create a new job description for Board members.

- Plan a Board and committee structure that meets the needs of the new organization.

- Determine Board committee members based on personal preference and skills needed

- Design and implement Board team building activities to unify the membership.

Management

Management integration involves the determination of key leadership positions, creating a new managerial culture, articulating a management philosophy for the new organization, and putting structures in place to ensure that both the post-merger integration process and the mission-related work of the organization are done in the most effective and efficient manner possible. Management integration is the process of creating an effective management team and setting up the structures to support that team in its work.

Activities involved include:

- Identify management positions needed in the merged organization. Identify the necessary skills and competencies for each management position.

- Match current (pre-merger) employees to positions where appropriate.

- Articulate a recruitment plan for any remaining senior management positions.

- Articulate the general and integration-related duties and responsibilities of senior management team.

- Establish shared understanding of the "managerial culture" in each pre-merger organization. Define the desired managerial culture for the new organization.

- Identify the specific work required to achieve the desired managerial culture. Define an overall management philosophy.
- Establish a senior management team meeting and agenda development process.
- Articulate processes, policies, and procedures for conflict resolution.
- Develop management team and individual development and training plan.
- Design and implement management team building activities.

Staff

A well-integrated staff will have clear roles, be accountable for goals, and know how their best efforts impact the mission. In a well-functioning merged organization, staff not only will be effective in the accomplishment of tasks, but also will be cohesive and exhibit camaraderie. They will both perform well and hold together well as they exhibit traits and qualities of healthy working teams.

Activities involved include:

- Build consensus on the mission, vision, and purposes of the organization. Create mutual understanding of the programs/services of the merged organization.
- Address job losses with remaining staff: clarify extent, timing, and impact. Identify positions still needed within the organization.
- Clearly define individual roles, goals, responsibilities, and authority and reporting relationships.
- Coordinate with human resources and staff to address compensation issues.
- Develop a process for recognizing and resolving conflicts.
- Develop and implement clear channels of information exchange within the organization. Define the culture of decision making.
- Complete a cultural audit to identify elements of previous cultures to bring forward or leave behind.
- Develop supervision and evaluation systems and culture.
- Develop training and development plans for individuals and teams.
- Develop communications strategies to report on integration progress.
- Design and implement staff team building activities. Create and implement methods to recognize staff contributions.

Program

Program integration is the process of bringing together distinct programs from separate organizations within the newly merged structure. It includes the melding of some programs and the development, to a varying degree, of linkages between and among other programs. Program integration may also include

closing a program (or finding it another home) because it no longer fits the mission or strategy of the merged organization.

Activities involved include:

- Gather and compare information on all pre-merger programs.

- Identify programmatic strengths, weaknesses, assets, and liabilities.

- Identify any obstacles or issues likely to arise in program integration.

- Agree on programs that need to be closed or moved to another organization.

- Agree on necessary skills and competencies for program management. Match current employees to positions where appropriate. Identify program positions needing to be filled and develop a process to fill open positions.

- Adopt statements of purpose, value, and culture for each program.

- Design and assign working groups to address specific integration issues.

- Gather input on proposed program design from the senior management team and other stakeholders.

- Develop an evaluation process to assess the program integration progress.

Communications and Marketing

The communications system in a merged organization facilitates the exchange of ideas and information using a variety of vehicles and media. These are tailored to the needs of the organization and also customized to the needs, interests, and concerns of the organization's stakeholders. Marketing communications are a subset of communications. Marketing communications primarily target external audiences, and strive to position the organization positively with these stakeholders. However, they are also directed to internal stakeholders, all of whom have a responsibility to "market" the new organization.

Activities involved include:

- Identify stakeholders and the information interests and needs of each stakeholder group.

- Determine the guiding principles, format, content, and timing of announcements.

- Draft, secure approval for, and finalize messages. Designate one or more spokesperson(s).

- Establish and publicize stakeholder feedback channels.

- Create talking-points and FAQ documents.

- Design and plan a distribution schedule for an integration newsletter.

- Designate a person or team responsible for regular staff check-ins.

- Convene town hall meetings with staff and others.

- Create or update websites.

- Plan for and implement feedback mechanisms for all marketing/communications efforts.

- Define an overall marketing and branding strategy.

- Identify required and desired marketing materials.

- Train staff and Board both on messages and tools/resources.

Systems

Finance

Financial integration begins during the due diligence process. After merger, it includes integration of all financial records and systems, including accounting, budgeting, payroll, purchasing, and inventory tracking.

Activities involved include:

- Refine the consolidated budget created during negotiations.

- Adopt a unified budgeting process.

- Adopt a unified format for financial statements to be circulated to Board and managers.

- Adopt a unified chart of accounts.

- Clarify limitations on restricted funds.

- Review maintenance schedules for buildings and equipment.

- Examine and compare pre-merger accounting systems. Define features of desired accounting system.

- Adopt unified time-tracking processes and systems.

- Adopt a single investment and cash management policy.

- Develop purchasing, petty cash policies.

- Develop notification procedures for vendors, funders, etc. of transfers to a new organization.

- Define optimal staffing for finance function. Create a plan for necessary hiring or reallocation of staff resources.

- Train staff and Board on new financial systems and procedures.

- Evaluate insurance needs and secure insurance appropriate for the merged organization.

Fundraising

Fundraising integration includes combining all sources of contributed income while respecting donor restrictions. It also includes combining all donor databases, management systems, proposal writing processes, and case statements, and the development staff who use them to raise necessary funds.

Activities involved include:

- Review and analysis of pre-merger fundraising activities, practices, sources of income, diversification of revenue streams and systems.

- Review of current commitments in planned giving, grants, and contracts.

- Review and analysis of donor management systems and the use of technology for fundraising management.

- Review and evaluation of fundraising staffing.

- Adopt unified policies and procedures regarding fundraising.

- Determine and implement necessary technology and donor management systems. Merge donor management systems.

- Create a plan to communicate with current donors.

- Create an integrated gift acknowledgement and recognition process.

- Create a revised/updated case statement for the new organization.

- Establish a fundraising budget.

- Establish an integrated fundraising plan with a fundraising calendar.

- Determine how fundraising will coordinate with marketing/communications function.

- Coordinate materials needed for marketing/communications function.

- Determine optimal staffing for the fundraising function.

- Plan for the necessary hiring or reallocation of staff resources.

- Train the staff and Board on new fundraising systems and procedures.

Human Resources

The primary goal of human resources integration is to promote effectiveness (we do what we do well), cohesiveness (we hold together and relate to each other appropriately), and safety (both physical and emotional well-being) within the organization. Human resources integration includes the merging of separate human resources philosophies, policies, procedures, and programs to best support the new organization's mission.

Activities involved include:

- Complete a human resources audit for each pre-merger organization.

- Review pre-merger human resources staffing.

- Develop and put in place a new compensation and benefits system.

- Create and disseminate new personnel policies.

- Create and disseminate a personnel manual.

- Develop a human resources information system.

- Integrate personnel files.

- Develop performance management and evaluation systems.

- Develop policies and processes for risk management and worker safety.

- Develop policies and processes for addressing grievances.

- Define optimal staffing for the human resources function.

- Plan for the necessary hiring or reallocation of staff resources.

- Review all layoff decisions and policies; ensure smooth transitions.

- Train staff on new human resources systems and procedures.

- Develop systems and resources for ongoing staff training and development.

Technology

Technology integration includes both the integration of the systems themselves — the hardware, software, and processes that support an organization's success — and the training of all staff on how to use and take full advantage of the new organization's technological resources.

Activities involved include:

- Complete a technology audit for each pre-merger organization.

- Review pre-merger information technology staffing.

- Hold focus group meetings to gather input and determine technology needs and potential.

- Review the websites of the pre-merger organizations and create a plan for integration.

- Draft recommendations for the integration of hardware, software, and systems.

- Gather feedback on recommendations.

- Define optimal staffing for the information technology function.

- Plan for the necessary hiring or reallocation of staff resources.

- Develop and implement training on any new hardware, software, and systems.

- Develop and implement technical support options for all staff.

- Ensure feedback mechanisms are in place for ongoing technical support needs.

Facilities

Facilities integration is the process of analyzing needs and resources, and developing a plan to best use available space and facilities. This may entail: reduction or consolidation of space and facilities; sale of unneeded facilities or renegotiations of leases on unneeded facilities; purchase or lease of new facilities; remodeling or reconfiguration of facilities; and/or relocation of departments, programs, and people.

Activities involved include:

- Complete a facilities audit for each pre-merger organization.

- Determine current and intermediate space needs.

- Gather input on projected space needs for the merged organization from staff, clients, and other stakeholders.

- Outline options for addressing space needs.

- Bring recommendations to the CEO, integration team, and Board as appropriate.

- Finalize the plan and budget for meeting space needs.

- Ensure that longer-term space considerations are included in strategic planning.