



## **Merger and Restructuring Services For Nonprofit Organizations**

Public Interest Management Group is a consulting firm that delivers strategic planning and organizational development services to nonprofits and social enterprises. Our analytic methods empower nonprofit leaders to make well-informed decisions and position their organizations for impact, operational efficiency and financial sustainability.

### **Overview of Merger and Restructuring Services**

Organizational structure provides a framework for management and service delivery. Restructuring naturally takes place throughout a nonprofit's lifecycle, but it can also be a game-changing strategy, as circumstances evolve. Restructuring can promote organizational success and growth. It may consist of reconfiguring internal resources and functions, or may involve integration of two or more organizations.

Merger, strategic alliance, administrative consolidation, and joint venture are among a range of options for partnership and integration of nonprofits. Each has relative merits and fits different situations. PIMG has deep experience helping nonprofits transform their long-term impact through strategic restructuring.

Our services include: feasibility assessment; facilitation of negotiations; and integration support. We use specific, field-tested methods and customize a scope of work for each client's needs. Projects may be phased, with optional elements dependent on progress and emerging needs.

Merger and restructuring services may be combined with financial modeling and/or business planning to help launch an integrated organization on strong footing. See the example project summary on page two.

### **Deliverables**

Depending on specific scope of work, project deliverables may include:

- Feasibility assessment report
- Organizational design recommendations
- Comprehensive merger or partnership agreement
- Multi-year financial and staffing projections
- Integration plan.

### **Timeline and Cost**

Feasibility assessment is typically completed in three months, with a cost between \$10,000-25,000, dependent on complexity. Facilitated negotiations typically span six months, with a cost between \$20,000-35,000. Integration support may vary in length between 6-18 months, with a wide price range dependent on scope. Combining assessment and facilitation results in significant economies.

### **Inquiries and Additional Information**

To discuss Merger and Restructuring services contact PIMG at (206) 282-7464. For more detail on Public Interest Management Group's services, methodologies, consulting team and publications, see our website, [pimgconsulting.com](http://pimgconsulting.com).



## Merger and Restructuring Example Project

### National Housing Nonprofits Join Forces

Our nation's affordable housing crisis is multi-dimensional and massive in scope. Housing is not just a commodity, it's closely linked to employment opportunities, health outcomes and community fabric. Nonprofits play a key role in addressing this deepening challenge for low-income communities. Two national organizations working on one aspect of the problem – homeownership – recognized an opportunity to improve their impact by joining forces and refocusing their efforts.

They engaged Public Interest Management Group to coordinate a merger negotiation process. Working with a Joint Negotiation Committee comprised of staff and volunteer leaders, the PIMG consulting team conducted an initial assessment, laid out a systematic process, and facilitated detailed negotiations over a six-month period.

The partners explored and reached agreement on many issues, including a shared mission, governance, staff and compensation structures, a membership framework, operational integration and engagement of funders. An essential piece of the agreement was adopting a holistic view of the housing problem, and staking out a unique niche in the nonprofit affordable housing space. With a wide range of stakeholders, negotiations had a political dimension, and the partners secured broad buy-in to the agreement. The two organizations ultimately chose *consolidation*, a particular form of corporate integration that offered advantages over common merger.

One year after negotiations began, two partners became one. The new organization is strong, growing and better positioned to meet the challenges ahead.