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Joint Ventures to Try Before You Even Mention Merging

By Jay W. Vogt



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In these lean times, nonprofits should at least consider a host of actions that take steps down the path to merger, but don't necessarily require or result in merger – and save money, gain allies, and achieve efficiencies in the process.

In these ways they can learn gradually whether or not merger in some form with some collaborator could be right for them.

Merger among nonprofits has been called “an unnatural act between consenting adults.” Indeed, my work helping facilitate merger conversations between courting nonprofits has shown me how many compelling reasons people find not to merge. So set the M-word aside for the moment. Consider these actions that foster collaboration while maintaining autonomy instead:

Hold joint fundraisers

Partner with other organizations to host a joint fundraiser. Six small nonprofits that serve Boston neighborhoods in complementary ways have raised over \$1 million since 2004 by hosting a joint annual fundraising event. Learn more at www.communitygems.com.

Join trade associations

Join the statewide trade association that convenes nonprofits in your segment of the sector, such as Mass Council of Human Service Providers, Mass Advocates for the Arts, Sciences, and Humanities, or Mass League of Community Health Centers. If none exists in your special area, join the Massachusetts Nonprofit Network at www.massnonprofitnet.org. By joining a trade association, you not only build an effective voice for your sector, you also meet potential collaboration partners and gain access to member discounts on pooled services.

Hold visioning roundtables funded by your community foundation

Identify potential candidates for mutual consolidation or joint venture and seek funding for facilitated conversations by a third party. Bring together the executive directors and board leadership for casual conversations over dinner. Discuss questions such as these: 1) In what areas might we have shared values and overlapping competencies? 2) In what areas might we have divergent values and distinctive competencies? 3) In what ways might we explore potential collaborations, strategic alliances, or shared services? End every conversation with an action plan for next steps.

Consolidate “back offices”

Seek other nonprofits with similar work processes and missions to your own. Explore whether you can combine your “back office” staff to achieve administrative efficiencies without losing your identity as an organization. Keep your name and maintain separate boards, but be served by shared staff in discrete functions. This arrangement can work among equals, but often it is hosted by the largest nonprofit working in a service or geographic area.

Build strategic alliances

Explore partnership with other nonprofits that share your mission and service your geography. Initially, 40 community centers in Minneapolis/St. Paul entertained the idea of a shared strategic alliance. Eleven eventually formed the Metropolitan Alliance of Community Centers to support joint

planning, joint projects, and joint infrastructure. Read their story as a case full of “lessons from the trenches” [clicking here](#).

Enter joint ventures with corporations

Find that special corporate partner who is seeking the right nonprofit partner for a joint venture that works for both parties. It could be a “cause-marketing” venture that protects and enhances both brands, or a “corporate volunteerism” project that connects expertise with need, or some other fruitful collaboration. Read some “rules of courtship” in the cause-marketing arena by [clicking here](#).

Start a book club

Forget friends and novels. Gather fellow executive directors or board members and read books about mergers. Talk about it. Learn about it. I recommend *The Nonprofit Mergers Workbook Part I: The Leaders Guide to Considering, Negotiating, and Executing a Merger* by David La Piana. And don't worry— should you actually choose to merge, there is a Part II on implementing mergers.

These actions build relationships and in so doing they build trust. Trust is the critical ingredient in making mergers work. So, if you want to merge, or if you just think you might, try these actions first, and learn about yourself and others as you go.

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