Strategic Alliances
Common Terminology

Types of Strategic Alliances

COALITION

An alliance of independent organizations which usually share a political or social change goal. This form of alliance is frequently established for a limited or specific purpose(s). Member organizations retain autonomy and make varying contributions to the alliance based on their resources and expertise. The alliance may have a central coordinating staff (volunteer or paid).

CONSORTIUM

An alliance of organizations and individuals representing customers, service providers, and other agencies who identify themselves with a specific community, neighborhood or domain. Members collectively apply their resources to implement a common strategy and achieve a common goal. The alliance frequently is sponsored by convening organizations that take responsibility for overall coordination.

NETWORK

An alliance of organizations which share resources for mutual benefit such as service provision. Formal, legal documents govern the sharing of resources, but organizations maintain their own identities, governance and core functions particularly for activities beyond the scope of the network.

JOINT VENTURE

A legally formed alliance in which member organizations maintain joint ownership (generally through a joint governance board) to carry out specific tasks or provide specific services. Member organizations retain individual identities and governance for activities outside the scope of the joint venture. If an organization withdraws from it, the joint venture dissolves or reconfigures. This type alliance frequently functions as an unincorporated business, with financial results flowing directly to the partners.

PARENT-SUBSIDIARY

An alliance in which an organization acquires, creates or affiliates with another organization to better pursue its mission. The parent oversees the subsidiary, the range and power of oversight determined by the design of the parent corporation's by-laws. In many instances there is interconnectedness between the parent's board and the subsidiary's board. This type alliance frequently is established by a parent corporation to avoid losing its tax-exempt status or to limit liability.

MERGER

A statutorily defined alliance in which one organization is totally absorbed by another. The absorbed organization is completely dissolved and the surviving entity owns the assets and liabilities of both. A merger may be traditional, discretionary, or involuntary.

CONSOLIDATION

An alliance in which two or more organizations come together to form a new organization. The member organizations are dissolved to create the alliance. The assets and liabilities of the former organizations are combined and a new governing board is created.

2007 TROPMAN REPORTS
Applied Research about the Pittsburgh Region's Nonprofit Sector

Nonprofit mergers:
An Assessment of Nonprofits' Experiences with the Merger Process

Dewey and Kaye

THE **FORBES** FUNDS

Envisioning Pittsburgh's nonprofit sector as innovative, informed, and engaged, THE FORBES FUNDS advances capacity-building within and among the region's nonprofit organizations.

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FRIEDA SHAPIRA MEDAL

ALFRED W. WISHART, JR. AWARD FOR EXCELLENCE IN NONPROFIT MANAGEMENT

An increasing number of nonprofit organizations are exploring mergers – the process by which at least two nonprofit corporations join to form one legal entity. Yet, little is known about nonprofits' experiences with the merger process.[1] What leads nonprofits to explore a merger and what outcomes do they expect to achieve as a result? Who within the organization is typically involved in facilitating the merger? How long do mergers take to complete, what do they cost and, above all, what are the results? Drawing on the experiences of 22 nonprofit organizations in Allegheny County that explored, attempted or completed a merger, combined with a comprehensive literature review, this report seeks to answer those questions and provide recommendations that nonprofits and funders can use to inform their conversations about the merger process.

Assumptions and Definitions

The term "merger," as it is defined throughout this report, refers to the process by which at least two nonprofit corporations join to form one legal entity. A merger can be further defined as a process that results in the lead nonprofit corporation becoming legally responsible for the assets and liabilities of the acquired nonprofit. The term "merger" also refers to those rarer instances in which at least two nonprofit corporations dissolve in order to form one new nonprofit corporation.

The term "merger exploration" refers to all activities leading up to a board's (and/or membership, if applicable) vote to complete a legally binding merger. This study, however, considers all phases of the merger process, including initial merger exploration, the legal enactment of the merger and post-merger integration. A detailed diagram showing each step in the merger process can be found in our full report.

It is also worth noting that the 2003 Tropman Report, *Strategic Restructuring: A Tool for Improving Organizational Effectiveness*, discusses mergers as one of several restructuring options that nonprofits may implement in order to improve their organizational effectiveness. For the purposes of this report, however, a detailed analysis of other types of restructuring, such as collaboration and strategic alliances, is not included as it was not within the scope of our research. The reader should refer to the 2007 Tropman Report, *Making the Connection: How Provider Dialogue and Network Clusters Can Spur Successful Collaboration*, and the aforementioned 2003 Tropman Report for more information on collaboration and other types of strategic restructuring.

1 LaPiana, David. Strategic Restructuring: A Tool for Improving Organizational Effectiveness. The Forbes Funds, Tropman Applied Research Report. 2003. This report identified several key factors driving nonprofits' interest in exploring mergers as an option for improving their organizational effectiveness. However, only 3 merged organizations were included in the study sample.

Research Questions and Methods

The critical issue that forms the basis of this report is *"What are nonprofits' experiences with the merger process?"* We sought to address this issue by finding answers to the 5 research questions that are listed in Figure 1 below.

Figure 1. What are nonprofits' experiences with the merger process? We used several research methods to address our five research questions.

Research Questions		Research Methods
Question 1	How do merger opportunities typically emerge?	★ Literature Review
Question 2	Why are merger opportunities undertaken?	● Focus Groups
Question 3	What are the roles of staff, board and outside technical assistance in the merger process?	■ Survey
Question 4	How long does the merger process typically last?	
Question 5	What are typical results of the merger process?	

The Dewey and Kaye team used several data collection methods to obtain answers to these five research questions, including in-depth focus group sessions, an online questionnaire and a comprehensive literature review.

In the spring of 2007, Dewey & Kaye distributed a Request for Information (RFI) about nonprofits' experiences with the merger process to nonprofit personnel and board members in the southwestern Pennsylvania region. Over 50 individuals responded with stories of merger explorations, pending mergers, completed mergers and failed merger attempts. From this group, 22 individuals who represented 22 different nonprofit organizations responded to a call to participate further in the research process. All 22 nonprofit leaders participated in a focus group to solicit insights into the merger exploration process; 21 of these nonprofit leaders completed an online questionnaire soliciting general information about their experience with the nonprofit merger process. The full list of organizations who participated in this study can be found in our full research report.

The observations from the focus groups, responses to the online questionnaire and the literature review inform the findings and recommendations outlined in this report. It is worth noting that the literature review revealed a lack of quantitative studies of nonprofit mergers, either on a regional or national level, making comparison difficult. The field still relies primarily on case studies, the experience of consultants, and other qualitative data.[2]

It is also important to note that the study group for this report was not convened by randomly selecting a sample of those nonprofit organizations in Allegheny County that have explored or completed a merger. As such, the results of this study are not statistically significant. The use of statistics in this report (i.e., "95% of study participants said") is only intended to make it easier for the reader to interpret the research findings.

Research findings

Question 1: How do merger opportunities typically emerge?

Even the most complicated mergers begin with a conversation. For the majority of study participants, this conversation was more of an ongoing dialogue between two or more nonprofits that knew each other well, and were looking for ways to build on their previous successes working together. In just over half of the cases (57%), the potential partners had substantial involvement with each other prior to the merger exploration. Most frequently, those relationships involved a program alliance or collaboration (75%). Indeed, this finding parallels another 2007 Tropman Study finding that sustaining an even less formal collaborative project requires a strong level of awareness and trust between participating organizations.[3]

But who is leading the conversation? In almost 2 out of 3 cases, the decision to explore a merger was driven primarily by staff, and typically by the executive director. Several participants in the focus groups observed that leadership transition, particularly of the executive director, precipitated and increased the urgency of the merger conversation.

2 Gammal, Denise L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.
3 Fairweather Consulting and 3 Rivers Connect. Making the Connection: How Provider Dialogue and Network Clusters Can Spur Successful Collaboration. The Forbes Funds, Tropman Applied Research Report: 2007.

Figure 2. How do merger opportunities typically emerge? Merger partners typically have existing relationships and executive directors are the ones leading the merger conversation.

QUESTION 1: HOW DO MERGER OPPORTUNITIES TYPICALLY EMERGE?

	Research Findings	Supporting Evidence
F1.1	Familiarity is a strong factor in the decision to merge.	■ 57% of organizations already had strong ties with their potential partner.
F1.2	Existing alliances/ collaborations tend to serve as the basis for exploration.	■ 75% of previous relationships involved program alliances or collaboration.
F1.3	Leadership transitions are a good time to explore mergers.	★ Leadership questions are key in mergers; vacancy of leadership reduces challenges about deciding who will lead the merged organization. ■ "A similar-sized organization lost its executive director and we felt it would be a good time to open the discussion of a possible merger of some kind since the agencies share similar missions, staff size, and programming."
F1.4	Executives most often begin the merger exploration.	■ 62% of merger explorations were driven by staff, most often the ED. ● "Our process started as a dialogue between staff, and then advanced to looking for joint funding. It proceeded to the eventual merger after the other group began succession planning."

Sources: ★ Literature Review ● Focus Groups ■ Survey

Question 2: Why are merger opportunities undertaken?

There are many factors driving nonprofits' interest in exploring mergers as an option for improving their management capacity. Salient environmental factors – including reduced government and foundation funding, external funder pressure to increase the effectiveness of their grantmaking, and increased competition from nonprofit and private sector organizations – likely create the setting for merger explorations.[4] When asked, however, about their *primary* reason for pursuing a merger, the majority of study participants said it was to increase their organization's reach or mission impact. Others said it was to increase their organization's capacity to compete for funding or to save one of the merged entities from financial failure, respectively. Interestingly, these responses do not support the notion that organizations merge (or should merge) primarily to cut costs or reduce administrative overhead – factors that tend to be most appealing to funders and advocates for sector consolidation. Interviews of 200 organizations conducted by Denise Gammal reached the same conclusion: mission is most often a primary driver in nonprofit mergers.[5]

Nevertheless, cost savings is clearly a significant consideration, since it was included by two-thirds of the participants when asked to list *all* of the reasons they chose to explore a merger.

Detailed charts showing the percentage break out of participant's responses to the question about anticipated results of the merger (primary and all) can be found in our full report.

Question 3: What are the roles of staff, board and outside technical assistance in the merger process?

Merger explorations and processes require intensive time and attention from leadership. In over half of the organizations, the only staff members involved in the process were the executive director and other key leadership staff (i.e., finance, program or operations directors). For the 43% of organizations that engaged all staff in the process, examples of staff involvement include creating operational plans and developing communications plans to share with constituents post-merger.

In all cases, members of the board of directors voted on whether or not to proceed with the full merger. Beyond this vote board members' involvement varied, in some cases the board guided and managed selection of a merger partner; in others, it voted on staff recommendations for specific steps or action plans. Whether they were involved early on in the process, or only after the merger decision was made, board members played a significant role in over 60% of the cases.

More than one-third of participants completed the merger process using no outside technical assistance. Instead, they relied on the organization's internal expertise, including experience the staff had developed through previous mergers or the pro bono skills of the board. Other merger processes had minimal requirements for assistance. In one case, the merging organization had no staff, making exploration and integration fairly simple.

4 LaPiana, David. Strategic Restructuring: A Tool for Improving Organizational Effectiveness. The Forbes Funds, Tropman Applied Research Report: 2003.
5 Gammal, Denise L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.

Figure 3. Why were merger explorations undertaken? Increasing the organization's reach or mission impact was the primary driver. However, cost savings become more important when participants were asked about all reasons for exploring a merger.

Question 2: Why were merger explorations undertaken?

	Research Findings	Supporting Evidence
F2.1	Primary driver for merger exploration is expansion of capacity to deliver on mission.	■ Half of participants hoped the primary result would be growth in program reach or increased program capacity. ★ "In the nonprofit sector, money is not the right reason to merge; but mission may be."
F2.2	Increased competition is a factor in driving exploration.	■ 23% of participants hoped that a primary result of the merger would be increased capacity to be competitive.
F2.3	Viability of one of the agencies is a factor in explorations.	● "All of our mergers were always about saving a good organization." ■ 14% of respondents hoped a merger would save the organization from closing.
F2.4	Cost savings is rarely a primary incentive for merger but is a secondary interest of many explorations.	●★ "Our feeling all along is that if there weren't programmatic benefits or new opportunities, no matter what economies of scale, it wouldn't be worth it." ■ 67% of respondents included cost savings as one of the reasons to merge, but only one labeled it the primary reason.

Sources: ★ Literature Review ● Focus Groups ■ Survey

Figure 4. What were the roles of staff, board and outside technical assistance in the merger process? Board and staff play an important role in the merger process, with most organizations utilizing technical assistance to carry out the merger. Some organizations merged without any outside technical assistance.

Question 3: What were the roles of staff, board and outside technical assistance in the merger process?

	Research Findings	Supporting Evidence
F3.1	Mergers do not typically involve all staff, only key leadership.	■ 56% of the time, the only staff involved in the process were the executive director and key leadership.
F3.2	The full board or a committee is typically involved in the entire process if the organizations actually merge.	■ For many mergers, the board was involved in the entire process or a significant part of the process. ● Board involvement included identifying a potential merger partner and due diligence work.
F3.3	Many groups use consultants, with mixed results. Others use expertise developed in previous mergers.	■ Respondents used outside assistance, primarily for legal assistance, due diligence, and facilitation. ● "The consultant was invaluable in managing the process, writing important documents and remaining a neutral voice of reason through merger discussions." "If you do enough of these mergers, you learn what you need a consultant for and what you don't need a consultant for."
F3.4	Outside technical assistance is used more for "transactional" activities (such as due diligence), and less for integration assistance, where it is also needed.	■ Only four respondents used technical assistance for integration-related work such as board development, HR assistance, program development, or marketing and PR efforts.

Sources: ★ Literature Review ● Focus Groups ■ Survey

However, since merger explorations and integration can also be confusing, time-consuming, and highly technical, many organizations choose to engage outside expertise to guide them in this exploration (62% of respondents). One executive director noted that *"trying to do this with only organization staff would have been impossible."* Among those who used outside consultants, assistance was most frequently sought for legal guidance, facilitation, due diligence work, organizational assessment services, and financial reviews, respectively. Focus group participants noted that due diligence is particularly important in today's climate; one participant stated that *"you assume all their assets, but you also assume all their liabilities. If you don't have a sense of that going in, you're in trouble"*.

In most cases outside technical assistance was limited to more transactional functions – legal guidance, facilitation and due diligence – or the nuts and bolts of getting the merger done. Very few participants noted receiving assistance with human resource or board development, both of which are likely to have a significant impact on the success of the merged organization over the long-term. Indeed, as discussed further in the next section, several participants reported encountering cultural challenges and obstacles once the merger reached the integration phase.

Participants offered several suggestions for engaging a consultant in the merger process, recommending that organizations request proposals and check applicants' references – even if the organization receives a recommendation from a funder. Additionally, participants recommended using consultants who can serve as a neutral party.

Question 4: How long does the merger process typically last?

There is no "right" amount of time for completing a merger exploration or full merger. Experiences of participants in this study varied in length.

The largest number of participants experienced a merger exploration process that lasted from six to twelve months. About one quarter found closure in less than six months, while the rest lasted from twelve to eighteen months or eighteen months to two years.

The majority of leaders found the actual timeline was what they expected (86%), and the rest viewed it as being longer than they had expected. However, in the focus groups, leaders noted that full integration took much longer to address, citing challenges and obstacles resulting from cultural differences between the two organizations. This is consistent with the study by Gammal[6] who found that *"full integration took three or more years to complete, with delays that were usually due to unanticipated problems."*

Question 5: What are the typical results of the merger process?

The majority of merger explorations result in a successful outcome, even if those explorations don't result in two organizations joining to form one legal entity. For the majority of the participants in this study (71%), exploration did in fact result in a formal merger. It is important to note that among the organizations that did not merge, a large number still viewed the exploration as worthwhile and helpful in further clarifying and reinforcing the missions of the organizations. Additionally, two-thirds of those that did not merge structured another type of effective program-related alliance with the other organization.

Two-thirds of all participants who merged agreed the merger achieved the original objective. A focus group participant noted that *"we have added several new programs serving almost 2,000 people a year. But the biggest benefit is harder to quantify– the synergistic benefit of combining our programs."*

Figure 5. How long did the process last? Most merger explorations were completed in 6-12 months, with some leaders citing cultural differences as being responsible for lengthy integration times.

QUESTION 4: HOW LONG DID THE PROCESS LAST?

	Research Findings		Supporting Evidence
F4.1	Merger processes vary greatly in the amount of time necessary.	■	38% completed the process in 6-12 months; 33% in 1-2 years; and 24% in under six months.
F4.2	Full integration, including cultural integration, typically takes years.	★●	Integrating cultures "is a discovery process which can last long into implementation."
F4.3	The majority of leaders find the actual timeline is what they expect.	●	86% of participants said the process took as much time as they expected, and the rest viewed it as longer than they expected.

Sources: ★ Literature Review ● Focus Groups ■ Survey

6 Gammal, Deinse L. The Merger Proposal: Before You Say I Do. Stanford Social Innovation Review: Summer 2007.

In one respondent's case, the merger did not achieve the anticipated result, but the remaining respondents said it was too early in the process to make a judgment on whether or not the original objective was achieved.

The costs of the merger exploration process varied widely across organizations, ranging from less than $5,000 to upwards of $50,000. This difference may be attributed to variation in budget size of the organizations, in length of time for the exploration process, and in varied use of outside technical assistance. The cost of the actual merger (including legal fees and infrastructure investments) also varied across organizations, ranging between $5,000 to over $100,000.

Organizations also experienced a wide range in the amount of cost savings achieved, both in terms of increased funding and in terms of economies of scale. Though many participants declined to discuss cost savings, most participants who did so indicated that they saved over $100,000 annually, and were able to leverage increased funding for the merged organization. However, several participants revealed that their foundation funding decreased from the levels they received prior to merging. One respondent said that of all the foundations he dealt with, *"only one didn't cut us in half."* While this sentiment was not echoed by every participant who had experienced a full merger, it was a common theme in the focus group discussions.

Figure 6. What were the results of the process? Merger explorations typically result in a positive outcome, with the majority of organizations that explored a merger having merged.

QUESTION 5: WHAT WERE THE RESULTS OF THE PROCESS?

	Research Findings	Supporting Evidence
F5.1	Most mergers achieve their objective.	■ Two-thirds of all participants who merged agreed the merger achieved the original objective. ★ "We acquired excellent employees, good volunteers, good contracts. It was an excellent result."
F5.2	The exploration process is time-consuming, but viewed as worthwhile, even if organizations don't merge.	● The majority of organizations that did not merge said the process was still worthwhile.
F5.3	Organizations that do not merge often structure program alliances.	● 83% of organizations that did not merge instead structured program alliances with their merger exploration partner.
F5.4	Cost savings from mergers vary, as do integration costs.	■ Cost-saving amounts varied, although most organizations saw $100,000 or more in savings annually.
F5.5	Revenues increase due to program expansions for some, but others see cuts in funding.	■ "We did cut costs, but were disappointed in the way that foundations didn't give . . . the same amount of funding as before the merger."

Sources: ★ Literature Review ● Focus Groups ■ Survey

Recommendations

Nonprofit organizations

There are several recommendations that nonprofits can implement in order to increase their chances of achieving a successful merger. In formulating these recommendations, it became clear that they could be categorized into six recommendation themes, including mission, decision-making, due diligence, communications, culture, and outcomes. Each recommendation also includes incentives for implementation, which are drawn from the research findings. Figure 7 below outlines these recommendations and incentives. While each recommendation and accompanying incentives is tied to specific research findings, each one also reflects the totality of the research findings and Dewey and Kaye's extensive subject matter expertise in the merger process.

In addition to recommendations for nonprofit organizations, we developed several recommendations for funders as they consider supporting nonprofit merger explorations, full mergers, or post-merger integration activities. As in the recommendations for nonprofits, these recommendations are tied to research findings, but also stem from the overall research.

Figure 7. These succinct, theme-based recommendations provide nonprofits with the information they need to inform their conversations about the merger process. These findings and recommendations also yielded a useful tool for organizations considering a merger, which can be found in our full report.

Recommendations			Incentives
R1.1	*Mission:* Clarify the mission and values of each partner as the basis for a match is explored.	F1.1 F2.1 F2.4 F1.2 F2.3 F5.1	Merger explorations are demanding, time-consuming and in many cases costly to undertake. Making sure there is a match before giving the merger exploration a green light will result in better exploration outcomes.
R1.2	*Decision-making:* Determine how decisions will be made; create decision points at each stage.	F3.1 F3.2 F4.1	Merger explorations require momentum over the short term. Lack of clarity on who is responsible for what will lead to inertia.
R1.3	*Decision-making:* Involve board in the process; address questions of roles of executive directors and the board members in the merged organization.	F1.3 F1.4 F3.1	The board is responsible for approving the merger. Without their buy-in, it cannot proceed. Lack of clarity about who will lead the merged organization will result in organizational challenges throughout the process.
R1.4	*Decision-making:* Define measures of success.	F2.3 F2.4 F5.1 F5.2	Milestones for success will keep momentum going and keep project stakeholders on track and accountable.
R1.5	*Due Diligence:* View the process as one of continual discovery that continues into the implementation phase.	F3.4 F4.1 F4.2	Entering the exploration with this in mind will set expectations for both parties as to the amount of work required for the merger to succeed.
R1.6	*Communication:* Keep lines of communication among agencies' boards and staff open throughout the process.	F3.1 F3.2 F3.3 F3.4	Open communication with staff will reduce anxiety and prevent employees from exiting. Open communication with the board will help in obtaining their long-term commitment to the merged organization.
R1.7	*Communication:* Early in process, communicate with staff from both organizations participating in the merger.	F3.1 F3.2 F3.3 F3.4 F4.2	Open communication with staff members from both organizations will reduce their anxiety about the merger, build their support for the merged organization, and prevent possible post-integration challenges.
R1.8	*Communication:* Early in process, communicate with donors at key points and discuss expectations of future relationships.	F2.1 F2.2 F2.3 F2.4 F4.1 F4.2 F5.1 F5.2 F5.3	Making it clear to donors that they will obtain an even higher return on their donation from the merged organization may prevent them from reducing or dropping their support.
R1.9	*Culture:* Consider retaining outside technical assistance for non-transactional, change – management integration issues.	F3.3 F3.4 F4.1 F4.2	Experienced consultants can help a merged organization address cultural differences and reduce the time required for post merger integration.
R1.10	*Outcomes:* Plan to obtain any additional revenue needed to support expanded capacity.	F2.1 F2.4 F5.2 F5.3	Seeking support from funders and donors in advance will prevent the merged organization from experiencing a financial crisis during its infancy.
R1.11	*Outcomes:* Prepare for the possibility that exploration may not lead to a full merger.	F2.1 F5.1	Great outcomes can still be achieved through less formal collaboration or strategic alliances.

F#.# = related research findings

Summary and conclusion

Study participants identified several key elements of the merger exploration process for consideration by nonprofit leaders. Even though many cases involved organizations that had some familiarity with one another and began with informal approaches by executive directors or board members, nonprofit leaders characterized the merger as an ongoing discovery process with challenges that were often emotional rather than economic. Despite the time-consuming and demanding aspects of merger exploration, all participants, including those in cases where a merger did not result, viewed the process as worthwhile and helpful in clarifying their own mission. Cost-savings was viewed as a secondary reason for mergers, with the drive to build on mission being primary.

While some organizations experienced the benefit of efficiencies and increased funding commensurate with expanded mission, others experienced cuts in funding support. This study validates the conclusions of other studies that the merger process extends well into integration and demands continued use of time and resources.

Foundations are wise to support explorations of potential mergers between organizations but should temper their own expectations of cost savings with an emphasis on enhancing capacity for community impact. The credibility of foundations can help build community support but should also be used with caution and care during the challenges of a merger exploration process. Both foundations and nonprofits should continue to share the results of their merger experiences to help build the knowledge base and to develop new models that allow agencies and their missions to flourish.

Figure 8. These succinct recommendations provide funders with the information they need to inform their conversations about the merger process. The findings and recommendations also yielded a useful tool that funders can review as they consider supporting merger explorations. This tool can be found in our full report.

Recommendations for Funders		Related findings	Incentives
R2.1	Recognize that expanding mission scope, rather than cost-effectiveness, is the primary factor and outcome in mergers.	F2.1 F2.2 F2.3	Mergers are driven by emotion. Focusing on mission instead of cost savings will bring more nonprofits to the table to discuss a merger.
R2.2	Support a range of options for restructuring instead of setting an expectation of a merger.	F2.1 F5.1	Merging may not make sense for all organizations that explore a merger. Alternatives such as collaboration and strategic alliances can produce meaningful outcomes.
R2.3	Build awareness of the challenges of merging the cultures and provide support for integration.	F4.2 F5.1	Supporting merged organizations during the integration phase will help to make sure they succeed over the long-term.
R2.4	Support merged organizations to enhance scale of mission rather than reduce support based on expectations of efficiencies.	F2.1 F2.4 F5.2 F5.3	Cutting funding for a merged organization before efficiencies are observed creates a disincentive for nonprofits to merge.
R2.5	Fund continued discussion and research on the merger process.	F2.1	More research on nonprofit mergers will help to reduce organizational learning curves and assist nonprofits and funders in making more informed decisions about the merger process.

F#.# = related research findings

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