

Issues That Commonly Arise in the Merger Negotiations Process

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 Resource

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?
If we don't merge, how do we know you won't use information against us?