



COMBINING FORCES

Conversations leading to a Strategic Alliance
to Protect our Lands and Waters

Lancaster County Conservancy

&

LIVE Green

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I. Introduction & Background

The Lancaster County Conservancy (LCC) was founded in 1969 as a charitable community organization charged with protecting natural lands to ensure high quality ecosystems and public recreational opportunities in Lancaster County. Over a more than 40 year history, LCC protected over 4,000 acres of critical natural lands, much of which the organization owns and manages today in 32 nature preserves. In its 2008 strategic plan, LCC's board added a targeted program component to engage the urban and suburban population and landscape in environmental protection and improvement.

LIVE Green was founded in 2004 as Lancaster Investment in a Vibrant Economy (LIVE). For much of the first two years of LIVE's existence, it primarily directed investments from the PA Department of Community and Economic Development (DCED) to worthy programs in Lancaster City. These investments – or allocations – were as a result of Legislative Investment Grants earmarked for the 96th Legislative District represented by P. Michael Sturla. In 2007, LIVE began to develop its own programming focus, known as LIVE Green, with its express purpose to implement and support urban greening initiatives that have measurable impact on the livability and environmental sustainability of Lancaster.

II. Engaging the Leadership

Discussions about collaboration began in the spring of 2010 when due to state budget cuts, LIVE Green lost the vast majority of its financial support. With the realization that it needed to quickly move to sustain its programs and diversify its funding base, LIVE Green initiated discussions with several organizations with whom alliances might be possible. LCC emerged as the most likely organization, especially given that LCC was expanding its strategic focus to include urban and suburban landscapes. Two organizations coming from difference places connecting in a way that creates greater efficiencies and impacts to benefit the community sounded intriguing.

With CEO's of both organizations exploring collaboration, agreement was reached by both boards to explore the possibility further. This discussion was not focused on merging, but on evaluating the possibility of some level of strategic alliance.

III. Defining the Process

The first step in the process was to create a working committee representing the leadership of both organizations. The respective executive committees became the

Coordinating Committee which met for the first time in August 2010. This joint committee agreed to meet monthly through the end of 2010 to:

- Explore areas of synergy between the organizations
- Identify 1-2 opportunities for collaboration that best serve to advance our efforts
- Identify collaborative scenarios for consideration (merger, incubation, alliance, collaboration, etc.)
- Delineate advantages and disadvantages based upon identified opportunities
- Identify what each organization needs from the conversations

The key outcomes from this initial phase was to make a go-no go decision about whether the conversations should proceed further based upon identified opportunities that were consistent with the organization's respective missions and delineate needed resources to advance the opportunity.

Coordinating committee members each prepared a SLOT (strengths, limitations, opportunities and threats) analysis using a pre-planning document provided by Human Resources Management Associates. This exercise included evaluating short and long range objectives, possible directions and "sacred cows", i.e. deal breakers. Results were discussed in a November meeting and consensus reached that there were significant opportunities to merit further exploration.

At this point, external stakeholders were engaged. We met with community foundation staff, key advisors and community leaders to gauge their reactions about a prospective alliance.

With indications of financial support from the Lancaster County Community Foundation and agreement by the two boards to pursue an alliance, we released a Request for Proposals to four consultants. In February 2011, we contracted with Dr. Shirk to facilitate the process. The scope of service included: (1) conducting a feasibility assessment, (2) assisting in implementation planning, and (3) planning post-merger integration, if applicable.

IV. Achieving Consensus

In March 2011, our consultant met with each board to present options for affiliation models and to facilitate discussion and comment in three specific areas – (1) hopes and aspirations, (2) fears and concerns, and (3) conditions and special circumstances. As we progressed through the process, we also worked to identify key transition and integration tasks including such items as reviewing projects and programs of each organization and describe how staff and committees would integrate; how the LIVE Green board would integrate with LCC's board since LCC was defined early on as the

surviving entity if a merger were the chosen model of affiliation; fund raising program integration; financial planning and controls; human resources management and many other organizational aspects.

In May 2011, we convened an all-hands meeting with the boards and staff of both organizations. This meeting, held at the southern market center and facilitated by Dr. Shirk, presented information about each organization, gave everyone a chance to engage with leaders from the other organization, and presented options for discussion regarding an alliance. We talked through the components of a memorandum of understanding, which was eventually adopted by both organizations.

V. Refining the Details

With a memorandum of understanding in place, our effort centered on working through a series of tasks to collect information that would guide us in our further discussions.

Tasks included:

1. Key stakeholder interviews
2. Research documents that could provide useful information (see list provided)
3. Joint meeting of both full boards and staff
4. Prepare list of documents to exchange
5. Prepare merger discussions FAQ
6. Prepare/sign non-disclosure agreement
7. Prepare list of due diligence items
8. Prepare preliminary Memorandum of Understanding
9. Prepare documentation of implementation planning steps
10. Research on legal requirements of merger
11. Prepare transition plan including draft organization chart
12. Prepare Plan of Merger and documentation for submittal to state AG's office

With conceptual agreement to proceed with a possible merger, we organized working groups to address the primary areas of integration. Subject areas included governance, fund development and donors, financial and information systems, human resources and staffing, program, communications, and other. From their work, we also outlined the tasks and steps needed which included:

Key items to be addressed in the final implementation phase include branding and marketing as well as strategic planning for the combined organization. We are currently preparing information to be used to retain consultant support for both of these key items.

In October 2011, both boards adopted the Plan of Merger document. That document with all required attachments was submitted to the PA Attorney General's office at the beginning of December 2011. It is our plan to announce the merger as soon as we have

final approval and we have prepared a coordinated statement – sometime during the first quarter of 2012.

VI. Findings & Recommendations

After more than 12 months of conversations, both boards approved the Letter of Intent in July 2011. This approval started a six month transition period with the objective of completing the legal and program planning and documentation by the end of December 2011. This integration included coordination of contracts with funders and consultants, employment agreements with LIVE Green staff, determination of initial organizational chart to determine how LIVE Green fits into LCC structure, integration planning for LCC board seats, coordinated fund raising planning, and other areas of integration.

AS of December 2, 2011, legal counsel has submitted the Plan of Merger petition and required attachments to the PA Attorney General’s office to complete the merger. LIVE Green operations have moved to LCC office space and staff and board have been combined in terms of budgeting and program planning.

The remaining steps include continuing to process of integration, developing branding and message deliver to the public and donors regarding the combined organization, writing a new strategic plan for the new organization, and preparing a marketing and promotional plan for the new organization. These tasks will be done during 2012.

VII. Preliminary Financial Report

Expense category	Budget	Actual/Est.
Facilitation Expense	10,000	
8,125		
Legal	15,000	
10,000		
Marketing consultant	15,000	
10,000		
Printing/postage, etc.	7,000	
3,000		
Other expense	3,000	
3,000		
Strategic Planning	0	
25,000		
Totals	50,000	
59,125*		

*\$10,000 grant fund raising in process

VIII. Supporting Documentation

A. Critical Documents

- Preliminary Memorandum of Understanding
- Benefits and costs/challenges of Restructuring
- List of Due Diligence Items
- List of Documents to Exchange
- PowerPoint on Strategic Affiliations
- Letter of Intent
- Implementation Planning
- Plan of Merger
- Request for Proposals – Facilitator
- Request for Proposals – Branding and Marketing
- FAQ – Merger Discussion
- Organizational Chart

IX. Update

As agreed in the merger negotiations, LIVE Green was incorporated into LCC as a new program, with its program director hired by LCC to manage the program. LIVE Green was then dissolved and its assets transferred to LCC. Live Green's executive director, technically a paid consultant and not a staff member, was hired by LCC (full time or part time) as well (in what capacity/what is her role?).

Two members of the LIVE Green board were incorporated into LCC's board; in addition, LCC has agreed to expand and diversify its board in the future to include urban stakeholders that would better complement LIVE Green's mission.

The integration of the two organizations continues. LCC hired a marketing consultant (with foundation funding) to develop communication strategies for publicizing the merger to members and the community. The organization is also embarking on a strategic planning process that will further unite the missions of the two organizations.

Reference materials

1. Better Together – How to combine forces to boost finances and capacity (Land Trust Alliance.org; Winter 2011)
2. Creating an Environment for Success: Mergers and Other Partnership Structures for Environmental Nonprofits; Institute for Conservation Leadership 2010
3. The Nonprofit Mergers Workbook Book 1; LaPiana & Harrington;
4. The Nonprofit Mergers Workbook Part II: Unifying the Organization after a Merger;
LaPiana Associates.