

CASE STUDY

NOT FOR PROFIT MERGER

Mergers can be challenging and involve ego-filled negotiations. Handled well, they can also deliver substantial benefits to members/stakeholders and provide momentum for organisational renewal. This case study describes one such merger.

PROCESS

Andy Farrant led a highly successful merger between two regional service organisations. Following detailed discussions about the possibility of a merger by the board of a not-for-profit organisation Andy, as Chair, made a personal approach to the Chair of the second organisation. Once interest in exploring the options was expressed by the second organisation, some ground rules were established.

A merger working party was made up of the executive of each of the merger organisations. To add a degree of difficulty, because both organisations were regional service bodies, most merger meetings were undertaken by teleconference.

After 8 months of discussion, debate and resolution both boards agreed to put to the respective memberships the merger proposal on the basis that the two bodies should join to create a new entity.

Clear and easily digested documents were prepared and mailed to all members of each body by the respective body. The content of these documents was vital to ensuring that members understood the background and potential gains from the proposal that was being put by each board.

OUTCOME

Each membership voted overwhelmingly in favour of the merger. The balloting was undertaken by mail and adjudication carried out by an independent third party.

The outcome was the creation of the peak body Country Arts WA. Within six months this organisation had successfully negotiated to manage and deliver substantial additional State Government funding on a devolved basis.

This arrangement significantly improved the effectiveness and efficiency of funds delivery and management and a host of upgraded membership benefits. Membership of Country Arts WA more than doubled within three years of the merger and the organisation became a recognised leader in the arts and creative sector.

More than ten years later Country Arts WA thrives as Western Australia's peak body for regional arts.