

*The*  
**STRATEGY**  
**GROUP, LLC**



**Connecticut**  
**Foodshare**

Our Community, Our Food Bank

# **How a Nonprofit Merger Led to a Bigger and Better Mission**



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# Our Presenters

# The Beginning

## Step 1. Internal Conversation

- Why?
- What do you bring? What is your value?
- What do you expect?

## Step 2. External Conversation

- How do you start the conversation?
- Who starts it?
- What do you say?

## Learnings:

- The board needs to support the idea.
- Don't begin too late.
- Conditions should be right.
- Helpful if both organizations are on solid ground.





# Phase 1 – Exploration

**Step 1:** Conversations with selective stakeholders (board, leadership staff, maybe donors).

**Step 2:** Put together small team and answer some questions:

- Is there a strategic fit? Mission fit? Culture fit?
- How would a merger help each organization?
- What type of merger works best?
- What is the financial impact? Is there risk?
- What are the expectations? Non-negotiables?
- What would the merger look like?

**Step 3:** Create a Letter of Intent.

## Learnings:

- Your team is key.
- Progress moves at the speed of trust!
- Keep quiet and maintain confidentiality.
- Compromise is key.

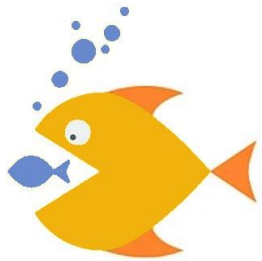


# Mergers and Acquisitions: What is the Difference?



## MERGER

- Two organizations consolidate.
- One organization survives and absorbs the other.
- The surviving organization absorbs all assets and liabilities of the other.



## ACQUISITION

- An acquisition entails the dissolution of one organizations and the transfer of assets to the other.
- The acquiring organization does not absorb the liabilities of the dissolving organization.

# Phase 2 – Negotiation

## Due Diligence:

- Governance
- Financial
- Fundraising
- Human Resources
- Regulatory
- Programmatic
- Culture
- Communications

**Partnership Agreement** – What will the merged entity look like?

## Learnings:

- This takes a lot of time and there is no short cut.
- There will be make or break moments.
- Ask the hard questions.
- Honesty is key.



# Phase 3 – Implementation

## Integrating the Pieces:

- Board
- Staff
- Programming
- Systems
- Culture

## Learnings:

- Culture matters.
- Governance matters.
- Integration is not the end of the work, it is the beginning.
- Mergers cost money.
- People will opt out.





# Overall Learnings

1. Respect the process. It matters.
2. Leadership (both staff and board) is key.
3. Culture is key.
4. Walk through the pain. The process is hard and often includes loss and grief.
5. Trust matters. Take the time to get to know each other.
6. Assume good intentions.
7. Don't hide the hard stuff.
8. Mergers take a significant investment of money, time and resources.
9. Get lawyers involved early.





Task	Costs
Exploration & Negotiation	<ul style="list-style-type: none"> <li>• Consultant Fees</li> </ul>
Professional Services	<ul style="list-style-type: none"> <li>• Attorney Fees</li> <li>• Filing Fees</li> <li>• Final Audit Fees</li> </ul>
Launch	<ul style="list-style-type: none"> <li>• Announcements</li> <li>• Celebration Events</li> <li>• Rebranding</li> </ul>
Staff Integration	<ul style="list-style-type: none"> <li>• Attorney Fees</li> <li>• Severance Pay</li> </ul>
Technology Integration	<ul style="list-style-type: none"> <li>• Hardware &amp; Software Purchases</li> <li>• Networking</li> <li>• System Integration</li> <li>• Staff Training</li> </ul>
Facilities Integration	<ul style="list-style-type: none"> <li>• Lease Buy-out</li> <li>• Furniture &amp; Equipment</li> </ul>
Future	<ul style="list-style-type: none"> <li>• Consultant for Board Development</li> <li>• Strategic Plan</li> </ul>





# Connecticut Foodshare

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Our new logo represents collaboration, compassion, openness, perseverance, and a deep love for Connecticut and its people—the keys to achieving our mission.

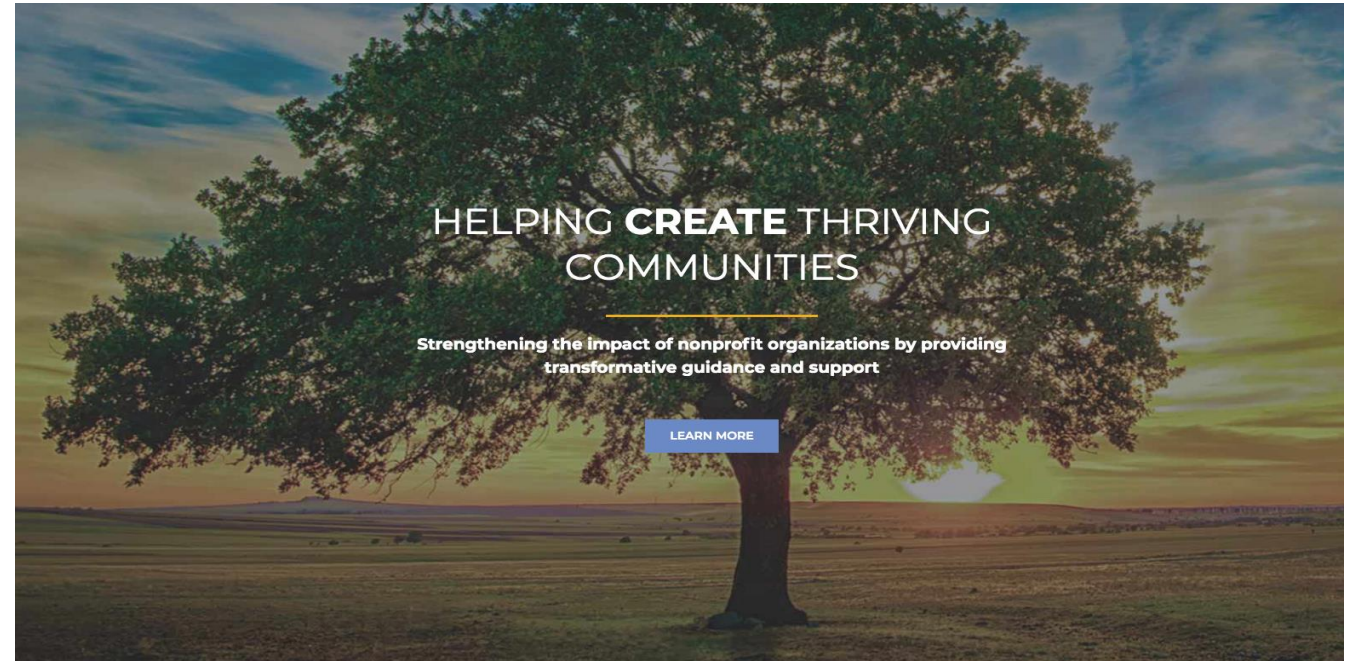
To learn more about Connecticut Foodshare,  
visit <https://www.ctfoodshare.org/>

# About The Strategy Group

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You will receive an email with a link to  
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To learn more about  
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