



Round table
2nd November 2023

Partnerships and Mergers



Liz Searle CEO of Keech Hospice Care

Cara Evans

Head of Partnerships and Mergers



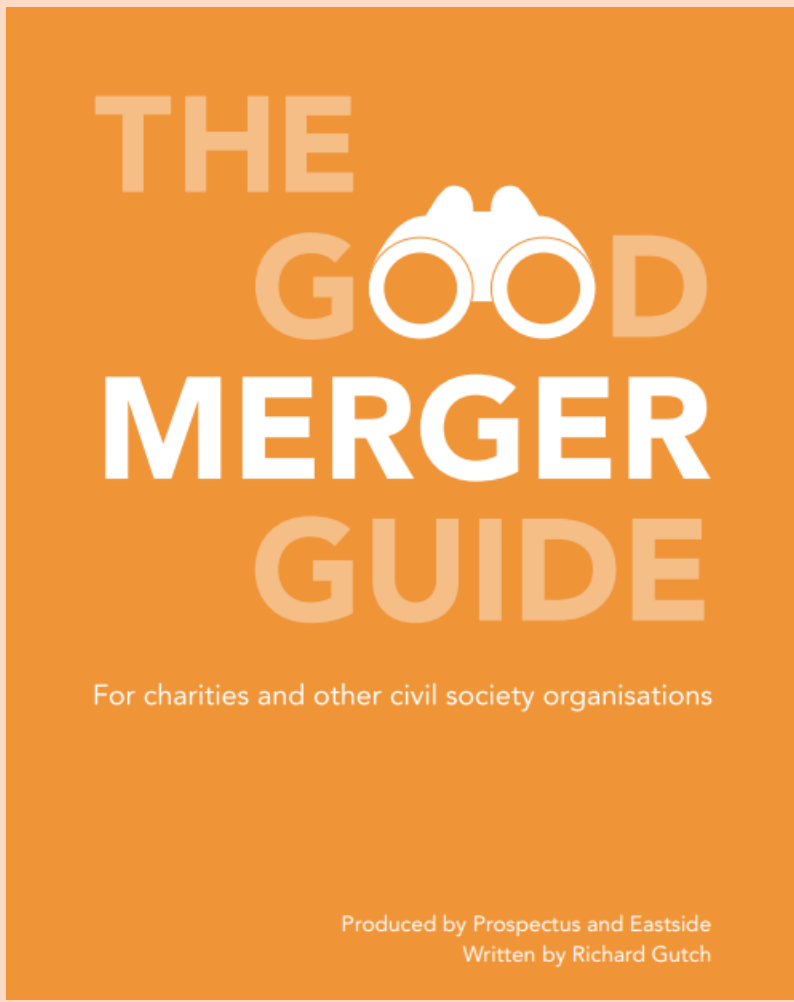
Plan for today....

- 1.Introductions -
- 2.Partnerships and Mergers- Cara Evans Head of Partnerships and Mergers
3. Our story- Liz Searle CEO Keech Hospice Care
- 4.Discussion- Questions and Answers from the Group

Introductions

- Who you are and where you are from
- Why you have joined the discussion today
- When someone said merger to you what is the one word would you say back

Eastside People Resources



Good Merger Index 2021-22 Trends

- Merger activity – already low – declined
- 51 mergers involving 103 organisations = 0.06% of 170,000 + charities
- Takeovers remain dominant form of merger
- Fewer ‘mergers of equals’
- Rise in subsidiary-type models
- Financial stress levels not as bad as anticipated (2020-21)
- GMI case studies show success stories and boards that celebrate mergers!

The benefits of strategic partnerships and merger

- Greater profile and voice for campaigns
- Funding diversity
- Improved talent pool
- Economies of scale and back office savings

Service synergies for beneficiaries

Geographical or scale reach

Retaining/winning contracts

Service innovation

The challenges

- Resourcing and cost
- Loss of identity and mission
- Lack of knowledge
- Finding partners
- Trust, sovereignty and individual role

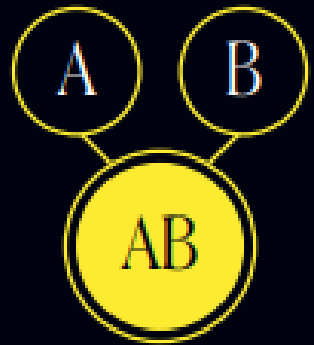
Process of mergers

- **Stage 1:** Issue of merger is raised and discussed at board level.
- **Stage 2:** Identifying a suitable merger partner – search and approach. Developing a prospectus.
- **Stage 3:** Boards agree to look in principle at the feasibility of merger. This feasibility study can take a few forms but should seek to look at key areas. In each area asking 1) what are the practical steps to take in the event of a merger 2) what are the benefits/risks/challenges around this area.
- **Stage 4:** Due diligence – legal/other. On the basis of the feasibility study and due diligence, boards decide, or not, to proceed with a merger (often with conditions to be met).
- **Stage 5:** Detailed merger project plan is formed, around each key area as appropriate including communications and key dates.
- **Stage 6:** Merger plan followed until merge completes.
- **Stage 7:** post merger strategy process for ‘new’ organisation.

Types of merger

1. MERGER

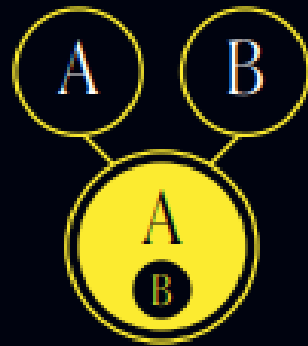
Two or more organisations join to form a new organisation



or reconstructed as C

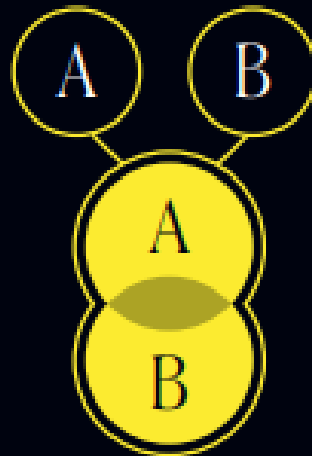
2. TAKEOVER

One organisation transfers its assets and activities to become part of another



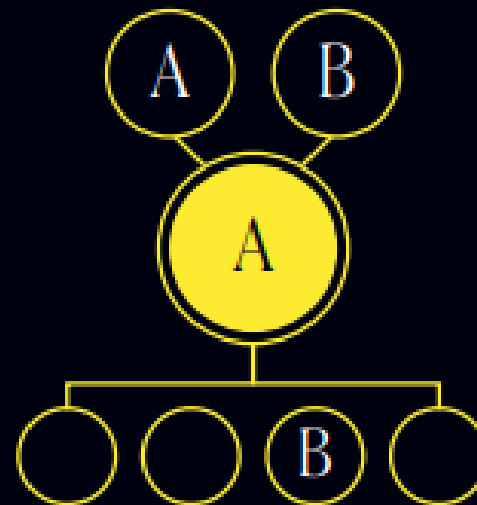
3. SUBSIDIARY MODEL

One organisation becomes a 'wholly owned' subsidiary of another



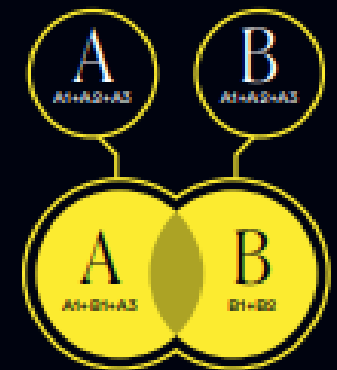
4. GROUP STRUCTURE

Two or more organisations transfer activities and assets to become part of a group

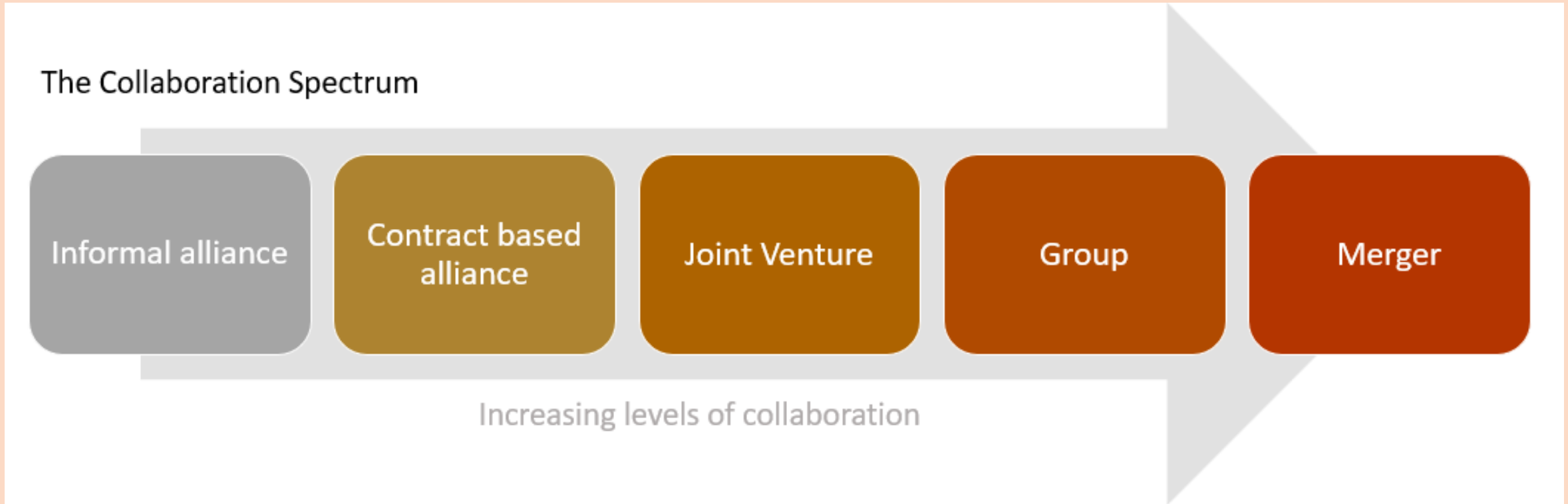


5. SWAPPING SERVICES OR ASSETS

Transfer or swapping of services, and in some cases assets



Alternatives to merger



Key reflections



Strategy:



It's an important (but often ignored) strategic tool – within wide spectrum or partnership work – should not be a financial fix



Scale:



The question of sustainable scale within a sector is key



Impact:



Ultimately a question of whether a particular group of beneficiaries will be better served over the long term

Useful sources

CGI Charity merger or collaboration checklist: [https://www.cgi.org.uk/assets/files/2022/guidance-notes/charity/cgiuki-charity-merger-or-collaboration-checklist\(1\).pdf](https://www.cgi.org.uk/assets/files/2022/guidance-notes/charity/cgiuki-charity-merger-or-collaboration-checklist(1).pdf)

NCVO landing page for mergers: <https://www.ncvo.org.uk/help-and-guidance/running-a-charity/collaboration/mergers/about-mergers/#/>

A summary note and recording of the Stone King/EP/RSM webinar 2020 with EP and RSM, titled “Key considerations for successful collaborations and mergers”: <https://www.stoneking.co.uk/literature/e-bulletins/key-considerations-successful-collaborations-and-mergers>



Liz Searle- CEO Keech Hospice Care

2.