

Should We Consider a Merger

A merger can seem like an attractive solution in certain situations and may result in creating a stronger organization than the sum of its parts. However, the journey can be complicated and surprising. Before you start down that road, see if your own organization is ready to consider a merger by taking this quiz.

Rank each question from 1 (low) to 5 (high)

Question	Ranking
Are our reasons for considering a merger clear? Can we easily articulate them? Is there a shared understanding among our leaders about the advantages of considering a merger?	
Are our expectations for a merger clear and reasonable? Can we easily describe our expectations, for example, we want to serve an additional 300 people per year?	
Do we have a strong sense of our mission (i.e. to reduce homelessness in our community) vs. our program model (i.e. to provide 20 units of transitional housing for homeless people) as programs may change during a merger.	
Is our organization stable and NOT in the midst of a crisis – i.e., experiencing cash flow problems, a public relations debacle or an unexpected departure of key players? Do we have the time to devote to these discussions and meetings?	
Is there an opening in the Executive Director position either in our organization or in that of a prospective merger partner? (Note: this tends to ease the issue of negotiating the leadership position.)	
Are our board-management relationships strong? Is genuine trust, respect, and support mutually evident?	
Can our leaders speak with one voice? Can we move into a negotiating scenario presenting a unified position?	
Has our organization successfully taken risks before? What is our organization’s tolerance for risk?	
Do we have a track record of growth? Does our organization welcome growth? Can our systems easily expand to accommodate growth?	
Does our leadership have a high tolerance for working through ambiguity and patience for an unpredictable process?	
Total	
Scores	
Think twice before you start down this road. A merger may not be the right fit for this situation.	10 – 20
Some things are working in your favor. Dig deeper on those questions where you did not score highly.	21 – 35
Sounds very promising. A lot of the necessary factors seem to be in your favor. As with any big decision, tread carefully and do your research.	36 – 50

