

**Interfaith Senior Programs
Strategic Partnership Case Statement
Kathy Gale, Executive Director
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Interfaith Senior Programs, Inc. officially began on June 13, 2007 after nine months of intensive exploration and planning to bring together the boards, programs and management of Interfaith Caregiving Network, Inc. (ICN) and the Retired and Senior Volunteer Program of Waukesha County, Inc. (RSVP)

The process began in spring of 2006 with board directors from both agencies engaging in informal discussions about the possibility of a “merger.” The process moved quickly to include the full boards of both agencies and the professional leadership. An ad hoc group comprised of four board members from each agency, a neutral member who had previously served on both boards, and the Executive Directors was formed and worked through an interview process to select a facilitator who would guide the process in a formal way.

Throughout the next four months, Mitch Kohls of the Kohls Group led the ad hoc group through a prescribed process including determining what each board believed to be “must-haves” in any strategic partnership and goals for a partnership. Early in the process there was considerable discussion surrounding the concept of “merger” versus the many other forms of strategic partnership available. It became important to spend time defining terms of art to avoid assumptions regarding what merger meant, depending on an individual’s corporate merger background, for example, legal merger implications, and the effect that a merger might have on current and prospective funding sources.

The Board of ICN viewed the process as an interesting and useful one as the agency had active formal partnerships with many community organizations and schools, but had never worked through a process that might result in changes at the organizational and governance levels. Regardless of the outcome, the board of ICN determined that this process could be documented and used to gauge the relevance of future partnerships.

The Board of RSVP faced what the boards many small nonprofit organizations encounter: stable founding sources had become static and even declined in recent years, and were not keeping pace with rising expenses such as salaries, benefits, technology, and other crucial needs. The board had previously explored the feasibility of a strategic alliance with another local nonprofit agency at the direction of a local funder, but both agencies determined that the timing was not right to continue. The RSVP board had engaged the Nonprofit Management Fund to conduct an independent diagnostic clinic of the organization in fall of 2005. Based on their findings, the board determined that it was prudent to seek a strategic partner that could provide strong administration and fundraising and allow for the many programs of RSVP to be expanded in response to community needs.

Both ICN and RSVP were cognizant of community and donor perceptions that the programs duplicated some services and efforts. Community leadership, including United Way, Waukesha County government, and large businesses – all supporters of both

agencies – encouraged the nonprofit sector overall to energetically seek ways to increase efficiency and had pledged financial support to assist in the process.

The ad hoc group worked through a formal process of identification of major issues to be addressed, and planning for timing and involvement of the full boards and staff members. As the process took shape in fall of 2006 meetings were held every two weeks at a local church. A letter was sent to all clients, volunteers, donors, and partner of both agencies in October, 2006 to introduce the process that was being undertaken and assure the community that programs and services would continue without interruption. In addition, board members and Executive Directors maintained personal contact with major funders throughout the process to provide timely information about the process and head off any possible problems.

Challenges included:

- Focusing necessary time on the project (both staff and volunteers) while maintaining a high-level of program delivery at both organizations;
- Developing a logical, workable partnership agreement that was not in violation of the federal regulations of the Corporation for National and Community Service, the major funder for RSVP.
- Lack of available resources for how to design this type of partnership

The process included exploration of legal, financial, contractual, programmatic, and logistical issues that would be affected by a partnership. Documents were thoroughly reviewed, including insurance policies, government contracts, articles of incorporation, by-laws, personnel policies, outcome measurement, and marketing materials. There was discussion about cultures of both organizations – how did each board operate, what type of management was existing, how would a new culture be shaped? Each meeting ended with action steps and dates for completion, and each meeting began with a report from members regarding relevant community changes and information that was found relevant to the action steps.

In December of 2006 the Executive Director of RSVP resigned. An RSVP Board member resigned from the board and assumed the Interim Executive Director position through the end of April, 2007. These two actions set in place a firm timeline for the partnership to become formal and a timeline of events was then developed.

During the exploration and planning process funding from the Nonprofit Management Fund of Waukesha County was provided to support the facilitator's time. Three separate grants were given for the facilitator, with additional support given by the Waukesha County Community Development Block Grant Board. Each agency contributed financially, and gave in-kind time to the process. One of the most important elements of the process was the guidance of an experienced, objective facilitator who kept the process moving forward and minimized any ad hoc committee members straying from the purpose of the project. The facilitator provided leadership for the committee, individual coaching with the Executive Directors, and leadership at select full board meetings during the project.

Throughout the process communication with staff was key. This was a time of uncertainty for the employees of both agencies, and in some cases great trepidation and concern for the future of jobs, programs, and mission in the community. The role of the Executive Director in leading change was vital to the ongoing work of the agency for each organization. As all ad hoc committee members had signed confidentiality agreements, specific details could not be disclosed to staff. It fell to the Executive Director to consistently communicate with staff regarding general tenure of the process, and provide honest and timely notice of impending change. As the staff was confident that they were given as much information as was possible, they were able to focus on their work on hand and to continue presenting a positive image to all constituents. This ensured that programs and services continued without interruption.

That being said, however, this undertaking presented a significant and an expected demand on the Executive Directors' time, and staff experienced a change in management support available as the process continued, and eventually moved toward the implementation stage. The firm of Outward Focus was engaged to provide individual staff coaching and group retreats to prepare for the change in culture, discuss individual roles, and prepare for the need to assume additional leadership as the Executive Director's role would need to change to manage a larger organization. Immediately after the board determined that the ICN Executive Director would be engaged as the ED of the merged organization, the ED began meeting individually with all staff, specifically focusing on time with the RSVP staff who would undergo great changes in another leadership turnover and moving their offices to a new location.

An official announcement was made at the ICN annual benefit dinner in May, 2007 with the full board, consisting of all board members from both ICN and RSVP introduced as the new board of Interfaith Senior Programs, Inc. All board members had been involved in selecting a new name for the organization. On May 17, 2007 the Executive Director of ICN was hired by the board of RSVP as the Executive Director of RSVP. This was the first official action in the partnership, and resulted in the Executive Director managing both RSVP and ICN as separate corporations with individual boards for approximately one month.

On June 13, 2007 the partnership became official through election of all ICN board members to the board of RSVP. This was followed by acceptance of a board resolution by ICN to delegate all board responsibility to the board of RSVP. Immediately thereafter the full board of Interfaith Senior Programs, Inc. met. Immediately following the meeting, the full board of ICN met with all but three members resigning. The remaining three members of ICN continue to oversee remaining multi-year contracts that will age out in 2008 or be absorbed by Interfaith Senior Programs. The Executive Director of Interfaith Senior Programs continues to be employed as the Executive Director of Interfaith Caregiving Network with one part-time employee and two contracts to oversee.

In short, the Board of Directors of RSVP assumed the programs and assets of Interfaith Caregiving Network, Inc. then changed the name of the agency to Interfaith Senior Programs, Inc.

Positives

- Although there was turnover of three positions and two positions were eliminated, the remaining program staff was committed to their work, knew their jobs well, and kept programs running throughout the process.
- A strong ICN management and fundraising staff allowed for the absorption of the additional staff, fundraisers, and management of government grants. The 17th annual RSVP Fish Fry special events grossed a record amount of funds, and had an all-time high of attendance.
- The separate, then combined boards of directors were committed to following the process as suggested by the facilitators. There was minimal “derailment” of issues which meant that the meetings overall were focused and resulted in a consistent level of action.
- Community funders and leaders were publicly supportive of the process. Funders provided additional financial support to assist with the final portion of the planning process, and funding for the integration process.

The process proved initially successful for the community, with RSVP program expansion within the first 12 months. All funders have continued to provide support at previous levels, with a handful of funders increase financial support and specifically noting their approval of the merger.

In follow-up surveys of volunteers and clients there have been complaints articulated about the process, specifically the perceived loss of identity for RSVP. Overall programs have continued with little interruption and staff addresses individual concerns as they appear.

Ultimately, the success of this process can be attributed to:

1. Commitments from funders who encouraged the partnership, were willing to provide resources for anticipated expenses, and offered additional support for unanticipated needs in the first six months of integration.
2. Committed board directors who consistently and effectively represented the needs of the community during an arduous and time-consuming process.
3. Strong staff structure of teamwork that flexibly changed with the process, and experienced, strong management, finance, and fundraising staff that could quickly ramp up all projects to meet new and changing expectations.

Merging two nonprofit corporations is board governance in the purest sense – with board directors representing the needs and voice of the community at large. The planning and integration process can tax even the strongest, most mature organizations and managers. However, with the major players continuing to focus on an outcome of better service to the community, the process is worthwhile and the community overall is healthier.