



Mergers

If You're Ready, Here's Some Help

A merger is a legal process through which two or more organizations combine their resources, assets and liabilities to form a single entity, known as the *surviving organization*. This surviving organization may be an entirely new entity or—more often—will retain the tax identity of one of the merging organizations and may adopt a new name and brand identity.

Only a few months into his new job, Steve Patton, then the newly appointed executive director of the Sheepscot Valley Conservation Association, realized that there were too many small land trusts and conservation organizations serving the mid-coast region of Maine. Few had more than five staff and the groups competed for resources: funding, volunteers and board members. He began meeting with his peers at the other organizations to explore the possibility of a merger.

“We were just going to be stronger together,” says Patton. “We could be much more efficient, do more work, be more professional and have more of an impact on the region in which we were working. That was an easy message for us to convey to our boards, our members and the public in general.”

The success of the merger was the product of a deliberately equal and open partnership between all four of the founding organizations.

“We made the assumption right up front that we were all equals,” says Patton, who now serves as deputy director for the Midcoast Conservancy (accredited), formed by the merger in 2016.

A New Guide from the Alliance

Mergers and other types of formal organizational partnerships have become more prevalent within the land trust community in recent years as a range of new challenges and opportunities have arisen.

The acquisition by Midcoast Conservancy of almost 1,000 acres “boldly confirms the driving force behind the merger in 2016,” says Executive Director Jody Jones. “This property is the largest single land conservation project ever completed by the organization or any of its four founding organizations, and it has been done in record time.”

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With the pace of development continually increasing and public funding for conservation decreasing, the need for private land conservation is more urgent, complex and expensive than ever before. Many land trusts are discovering that working with others is indispensable to their success.

In late 2017 the Land Trust Alliance released “An Introduction to Mergers for Land Trusts” (link at end), which lays out guidelines based on established best practices.

A merger is not the right solution in every situation, but it can help land trusts achieve synergies they may not be able to attain through other forms of collaboration. By joining forces through mergers, land trusts can pool their resources and increase their capacity to protect and steward more land, consolidate administrative functions, enhance knowledge and expertise and attain greater efficiency in program delivery. Combining membership, donors and volunteers also creates a more sustainable foundation to ensure the long-term viability of the resulting organization. Moreover, land trusts that merge are able to integrate their local conservation efforts into a broader conservation vision to expand and deepen their impact.

The merger publication features an overview of the process and key junctures, case studies and tips from organizations that have been there and tools to make the process easier. Chapters cover such information as conditions under which land trusts seek to merge, an overview of other forms of collaboration, the benefits and challenges involved in a merger, the process itself and what land trusts should expect and prepare for at each stage and a series of best practice tips for making the process run smoothly. The appendices contain handy checklists to help land trusts through the merger process.

Reasons to Merge

The reasons for pursuing a merger are varied, such as these common scenarios:

- *Opportunity for greater impact.* Land trusts may face unmet conservation needs in their service areas, may desire

to expand geographically or may wish to deepen or broaden their programming.

- *Need for more capacity.* Small land trusts may be constrained by limited capacity. A merger can enable these organizations to deepen knowledge or to specialize staff or volunteer skills, reinvigorate the board or improve operational infrastructure. A larger entity can benefit from efficiencies and economies of scale.

Land trusts that merge are able to expand and deepen their impact. ←

- *Leadership transition.* Mergers often happen opportunistically, and the transition of an executive director or the turnover of founding board members can become the catalyst for change.
- *Need to enhance sustainability.* Land trusts make long-term commitments to their communities and they may face challenges fulfilling those commitments. By creating a more robust organization, a merger can reduce the risk of fluctuating operating budgets or human resources and maintain the specialized personnel needed to uphold their conservation commitments.
- *Financial crisis.* A decline in financial position—whether through a single event or the gradual waning of fiscal resources—may threaten the survival or effectiveness of the affected organization. In such instances a merger with another land trust enables the financially distressed land trust to protect its properties and other assets, avoiding such things as “orphan easements.”

Preparing for Success

Midcoast Conservancy recommends that merging land trusts “do everything possible to foster equality and open communication among and within the potential partners and any existing and potential stakeholders.” This sense of equal commitment and

mutual benefit helped fuel the transparency Patton believes contributed in large part to the merger’s success.

You can read about this success, as well as the concrete steps taken to get there, in the merger publication. The board votes of the four merging organizations were nearly unanimous in favor of the merger. Three of the merging organizations also asked their membership to vote, and those

votes were likewise strongly in favor of the merger. And, perhaps most telling, only one of the eight staff departed after the merger. “There were a lot of people doing things they didn’t want to do before the merger,” says Patton. “They don’t have to do those things now. We were able to fill all the needs of the organization in a way that allows staff to focus on the things they know how to do well and enjoy doing.”

As Patton and others learned during the merging process, committing to and following a systematic approach and building mutual trust along the way is critical to success. Regardless of the motivations and reasons for pursuing a merger, the process land trusts face is inevitably complex, time-consuming and expensive. But as the three featured case studies in the publication illustrate, the end result is worth the effort—a much stronger and more sustainable organization that is better positioned to expand and deepen its conservation impact and remain viable over the decades ahead to meet its long-term commitments.

Land trust members of the Land Trust Alliance can download the merger guide at www.lta.org/publication/introduction-mergers-land-trusts. Many thanks to Cristina Santiestevan, Scott Schaffer and the editors of the merger publication. 🍀