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Nonprofit Mergers That Made a Difference Case Collection

Three mission-driven rationales can guide successful nonprofit mergers: an aim to grow scale (e.g. broaden reach), to increase scope (e.g. broaden services), or to streamline operations (e.g. increase efficiencies). Each comes with its



own set of challenges and lines can blur between them.

The merger of the Domestic Violence Center of Greater

Cleveland and the Bellflower Center for Prevention of

Child Abuse is a strong example of how discussions about

lowering back office costs led to a vision for merging to

increase scope of services citywide.

The Rationale: Achieving Cross-Field Synergies

In 2010, the Domestic Violence Center of Greater Cleveland (DVC) and the Bellflower Center for Prevention of Child Abuse (Bellflower Center) began to explore a formal collaboration. Both organizations had more than three decades of experience leading their Cleveland, Ohio, community in breaking cycles of physical abuse through prevention, intervention, and education. DVC, a \$2.5 million organization with 49 staff, primarily served Cleveland's West Side and focused on preventing adult violence. The Bellflower Center, a \$1 million organization with 17 staff, primarily served the East Side and focused on preventing child abuse. At first, DVC and the Bellflower Center looked at the possibility of co-location and shared administrative services to streamline operations and achieve cost savings. But they soon realized that a deeper partnership—one that created a continuum of services for persons of all ages—could broaden their impact across two fields, domestic violence and child welfare. Linda Johanek, former executive director of DVC who is now leading the merged organization, said, "We recognized that we had two areas of expertise that would be better together." A merger could increase access to services throughout greater Cleveland, increase advocacy for policy change

Cover image: The Domestic Violence & Child Advocacy Center displayed these "Silent Witnesses" at the Cleveland Public Library Main Branch in October 2013 to increase awareness about the prevalence, cost, and impact of family violence.

where needed, and provide more comprehensive and holistic programming by cross-training advocates, social workers, and therapists across both organizations.

The Catalyst: Funder Initiative

In 2009, the Human Services Strategic Restructuring Pilot Project, an initiative of an 18-member funder collaborative in Ohio, reached out to Cuyahoga County nonprofits to offer assistance in exploring and forming strategic alliances. The funders saw that demands were rising on social services agencies to address basic and critical needs at the same time that the recession had reduced foundation endowments and shrunk public funding. And they were concerned about increased financial burden on individual donors. Although DVC and Bellflower Center already had begun considering ways they might share resources, the pilot's phased process of education, assessment, and negotiation support ultimately enabled them to fully merge. Funder backing gave the two organizations the confidence to move forward. Johanek noted, "Something we really appreciated was that this project came from a funder initiative... If we could make it work, the foundations would support it."

The Challenges: Building a Shared Mission, Adapting to Funding Changes

The merger required bringing together two disciplines—domestic violence and child protection—which historically have been addressed separately. To develop a shared vision and mission for DVC and the Bellflower Center, Johanek looked to the Greenbook Initiative, a project of the National Council of Juvenile and Family Court Judges, to develop better ways to serve women and children affected by violence. Child welfare advocates have a mandate to protect the child, while domestic violence advocates focus on empowering the survivor. The Greenbook guidelines (published in 1999) and their demonstration projects (2000-07) identified goals that worked for both groups. DVC and the Bellflower Center adopted the thinking, seeking to empower individuals, educate the community, and advocate for justice to end domestic violence and child abuse. This strong focus on a shared mission helped the merger proceed smoothly. It also unified the organization as it faced changes in funding. Johanek described the funding environment as "a rollercoaster" of challenge and opportunity, including a major funder's shift in priorities, reductions in several government funding streams, and the creation of new federal funding.

Integration Tactics: Phased Merger, Consistent Leadership

DVC and the Bellflower Center used a parent-subsidiary model as a transitional structure before moving to a full merger. This was done for practical purposes:

as a fully owned subsidiary, Bellflower Center could continue receiving Medicaid reimbursements until DVC received certification. Ultimately, Bellflower Center merged into DVC, a choice influenced in part to avoid delays in funding from a number of federal grants DVC had been awarded. In the interim, the two agencies operated as a single entity with a combined board, with DVC's top executive serving as executive director and the Bellflower Center's top executive serving as chief operating officer. Retaining leadership from both organizations signaled to staff the value of partnership and helped to ensure consistency and stability during the transition. The organizations finalized the merger in February 2011, and the budget for post-merger integration activities came to \$195,766, not including in-kind donations for rebranding the merged organization as the Domestic Violence & Child Advocacy Center (DVCAC).

Results: Continuum of Services, Strengthened Policy Voice

DVCAC now offers a continuum of prevention and intervention services for issues affecting people of all ages, including child abuse, teen dating violence, domestic violence, stalking, and elder abuse. Staff training has enabled an increased focus on best practice and evidence-based programs, and the organization has two federally funded projects that are being considered as models for replication nationally. By taking a broader social justice perspective, DVCAC has put itself at the forefront of new policy developments and enhanced its ability to serve as a voice on behalf of eliminating family and relationship violence. Johanek explained, "This merger has caused me to look at the entire array of systems—domestic relations court, juvenile court, law enforcement, child protective services—so that we can truly transform the way our community responds to both domestic violence and child abuse victims."

Sources:

"The Power of Partnership: Strategic Restructuring Among Domestic Violence Organizations" by La Piana Consulting, with support from the Blue Shield of California Foundation, January 2012, http://www.blueshieldcafoundation.org/sites/default/files/publications/downloadable/Power_of_Partnership 2012.pdf.

"Learning from a Funders Collaborative: The Human Services Strategic Restructuring Pilot Project" by Yankey Associates, December 2013, http://www.foundationcenter.org/gainknowledge/collaboration/restructurepilot/docs/hssrpp.pdf.

"The Human Services Strategic Restructuring Pilot Project: Transforming Nonprofits in Cuyahoga County, Ohio" by La Piana Consulting, June 2011, http://www.lapiana.org/insights-for-the-sector/insights/collaboration-and-strategic-restructuring/ohio-pilot.aspx.

Case Collection: Nonprofit Mergers That Made a Difference

A series curated by The Bridgespan Group, La Piana Consulting, the Catalyst Fund for Nonprofits, and The Lodestar Foundation

A number of nonprofit organizations are strengthening their fights against poverty, disease, and other social ills by turning to mergers and collaborations that increase their scope and scale of impact as well as streamline operations. This case is part of a series of studies and blogs that explore effective nonprofit mergers, looking specifically at their rationales, catalysts, and results as well as the challenges of due diligence and integration.

