To Merge or Not to Merge
Launch of AIDS United ASO Merger Series
AIDS United’s mission is to end the AIDS epidemic in the United States.

We seek to fulfill our mission through strategic grantmaking, capacity building, policy/advocacy, technical assistance, and formative research.
Seven Sections:

1. What is a Merger?
2. How to Conduct a Pre-Merger Assessment
3. How to Navigate Negotiations
4. Case Studies from the Field
5. An Introduction to Organizational Culture
6. How to Navigate Communications & Branding
7. Due Diligence Checklist

Available at www.aidsunited.org/merger
Presenters

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CEO  
Asian & Pacific Islander Wellness Center
Overview
- The ASO Merger Series
- The Merger Process

Highlights
- The Seven Briefs with Case Studies & Tools
Overview: Our Goals for the MSO Merger Series

• Make information and tools easily accessible
• Meet organizations where they are
• Let the field speak for itself (case studies)
  ▪ Equitas Health (Formerly AIDS Resource Center Ohio)
  ▪ Colorado Health Network & Howard Dental Center
  ▪ Common Ground & Venice Family Clinic
  ▪ BOOM!Health
Overview: The Merger Process

- What is a Merger?
- How to Conduct a Pre-Merger Assessment
- How to Navigate Negotiations
- Due Diligence Checklist
- Case Studies from the Field
- An Introduction to Organizational Culture
- How to Navigate Communications & Branding
**Highlights: What is a Merger?**

- Merger is about mission impact
- It *isn’t* a primarily financially-driven strategy
- It *can* help organizations…
  1. Provide a more holistic, integrated response to related needs
  2. Offer one-stop access to a broader range of services for clients
  3. Scale effective programs to reach more people who could benefit
  4. Make the most of complementary skills, resources, and expertise
  5. Develop a stronger, more effective advocacy voice
Case Study:
Common Ground &
Venice Family Clinic
Case Study:
Colorado Health Network &
Howard Dental Clinic
Collaboration enhances the capacity of participating organizations for mutual benefit and to achieve a common purpose.
### Highlights: How to Conduct a Pre-Merger Assessment

<table>
<thead>
<tr>
<th>Self-Assessment</th>
<th>Partner Assessment</th>
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<tbody>
<tr>
<td>▪ Current or past experience</td>
<td>▪ Mission and vision compatibility</td>
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<td>▪ Challenges and critical issues</td>
<td>▪ Alignment of organizational culture</td>
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<td>▪ Opportunities</td>
<td>▪ Past collaborations</td>
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<td>▪ Current financial position</td>
<td>▪ Mutual trust</td>
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<td>▪ “Red flags”</td>
<td>▪ Strengths and weaknesses</td>
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<td>▪ Organizational capacity</td>
<td>▪ Financial condition</td>
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<td>▪ Relationship with donors/funders</td>
<td>▪ Usable skills and assets</td>
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<td>▪ Advancing the mission</td>
<td>▪ Attraction (why they interest you)</td>
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**Highlights: How to Navigate Negotiations**

Board involvement

- Board resolution
- Participation on negotiations committee (including due diligence)
- Decision to merge (or not to merge)
Highlights: Case Studies from the Field
Focus on Post-Merger Integration

- Board
- Management
- Staff
- Program
- Financial
- Fundraising
- Communications
- Human Resources
- Technology
- Facilities
Case Study: Equitas Health
Mergers do not fail because organizational leaders can’t integrate their financial systems or IT...

Mergers can fail because people tend to hold onto their individual cultures and identity rather than create a new organization.
Highlight: An Introduction to Organizational Culture

- Choose desired elements of the new culture
- Identify differences & similarities
- Make new culture explicit, reinforce it, & keep it on track
Highlight: How to Navigate Communications & Branding

“What’s in a name?”
-William Shakespeare
Case Study: BOOM!Health
Unification can provide a transformative impact to the life of your organization and the lives of the people you serve.
Thank you.

Melissa Mendes Campos
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A SUCCESSFUL MERGER
Pre-Merger 2014

- HIV social services and dental care
- 24 staff
- 2 clinics and offices
- $1.7 million revenue
- 400 patients and clients
- 5,000 people served through prevention efforts
Pre-Merger 2014

- HIV Medical Home model of care
- 170 staff
- 12 clinics and offices
- $46 million revenue
- 3,000 patients and clients
- 35,000 people served through prevention efforts
AIDS Network Pre-Merger Perspective

• Need to expand into medical care
• Financial resources were stable but limited
• Limited staff and board resources
• Competition for funding
• Limited supporting services and infrastructure
ARCW Pre-Merger Perspective

- Interest in Expanding Services in Southern Wisconsin
- Expand Medical Home – quality outcomes & revenue
- Overcome confusion – community & political
- Gain KSA of new staff
March 2014

- Meeting of AIDS Network & ARCW executives
- Recommendation to the two Boards of Directors
- **Boards of Directors agree to discussions**
Why Did We Consider Merger

– access to CARE
– improve CLINICAL outcomes
– increase COMMUNITY engagement
– CHAMPION best practices
– CASH
Discussion Process

• Joint Committee – 10 meetings
• Strategic Intent
• History
• Key areas: governance, programs, financial, human resources, communications
• Due Diligence
• Communications - name
Merger Negotiations & Integration

Mary Stelletello facilitated merger negotiations between AIDS Resource Center of Wisconsin and AIDS Network to create a statewide organization in Wisconsin. Subsequent to the legal merger, Mary lead the merger integration process of the two organization, including merger integration planning and monitoring, organizational cultural assessment and culture change facilitation, design and facilitation of a Senior Leadership Team retreat and staff retreat.

- Mary Stelletello, Principal
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Due Diligence

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• Funded by AIDS United’s Sector Transformation initiative to conduct the due diligence and legal merger of the AIDS Network, Inc. into the AIDS Resource Center of Wisconsin, Inc.
February 1, 2015

- Merger announced December, 2014
- Merger effective February 1, 2015
- Integration
- Culture
Integration Process

- Culture
- Internal integration teams – programs and supporting services
- **Communications** – internal and external

This Takes Time
Outcomes

• **Increased access to CARE** – medical home, mental health, medical care, pharmacy, overdose prevention

• **Improved CLINICAL outcomes** – re-engagement of care for 25 people with HIV, quality assurance program in place

• **Increased COMMUNITY engagement** – record attendees at special events

• **CHAMPION best practices** – improved food services statewide, expansion of Felicia Melton Smith gift drive, compliance department

• **CASH** – increased pharmacy revenue, first time health care reimbursement revenue, $500,000+ in new private revenue
Lessons Learned

• Focus on gain rather than loss
• Identify deal breakers early
• Focus on entire enterprise not just the merged part
• Much can be achieved and it doesn’t take long
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Asian & Pacific Islander Wellness Center; Merger Consideration

Lance Toma, LCSW
May 17, 2016
About A&PI Wellness Center

- Asian & Pacific Islander Wellness Center transforms lives by advancing health, wellness, and equality for people of all races, ethnicities, sexual orientations, gender identities, and immigration statuses.
- We believe everyone deserves to be healthy and needs access to the highest quality health care.
- To us, health care is grounded in social justice.
- Visit us at www.apiwellness.org
About A&PI Wellness Center

• LGBTQ and people of color health services, education, research, training, and policy organization

• Over 29 years experience providing culturally and linguistically competent HIV services

• Run one of the largest drop-in centers serving San Francisco’s diverse transgender community –
  – programming for trans women of color, trans men, and trans youth

• Became FQHC in 2015 serving Tenderloin neighborhood.

• In 1997 API Wellness Center was formed as a result of a merger.
Why Did We Consider A Merger (again)?

- Owning our organizational transformation
- Focusing on our community need over time
- Imagining audacious possibilities
- Identifying like-minded organizations
- Taking risks as an organization
- Heeding sector wisdom and keeping eyes wide open
What Did We Do?

- What about a 3-way partnership?
- San Francisco LGBT Center + API Wellness Center
- Both boards agreed to proceed
  - Steering Committee established
  - Due diligence completed
- Programmatic partnership
- Made decision NOT to merge
- Strategic alliance established
What Is Our Strategic Alliance?

- Less “institution building” ➔ new way to work across organizations toward a community vision & dream
- Leveraging both of our organization’s transformations and externally communicating our alignment
- Supporting each others’ staff development, professional development, and learning opportunities
- Together, spearheading community-wide conversations that advance our bold vision of inclusion and wellness
- Strategically connecting periodically at board and senior staff levels
Our Results

• Mutually agreed upon big community vision
  – Communities of color, the “queerest” among us, the most marginalized

• On the ground program collaboration
  – Queer violence collaborative

• Anchor tenant in SF LGBT Center
  – Satellite LGBT health clinic, end of 2016
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QUESTIONS
AIDS United offers support to organizations across the United States (including Puerto Rico) that seek to address challenges with sustaining critical HIV services in a changing healthcare environment.

Sector Transformation can help your organization

- *Integrate* new services
- *Initiate* new business models
- *Develop* new strategic partnerships
- *Align* opportunities, consolidate services, and much more
Sector Transformation
Types of Support

• Cash Grants
• Technical Assistance
• Site Visits to Explore New Models

For more information: www.aidsunited.org/st
For the ASO Merger Series: www.aidsunited.org/merger
Sector Transformation
Types of Support

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Thank you!
Evaluation