



MANAGING MERGERS

HOW TO COMBINE FORCES
TO BOOST FINANCES
AND CAPACITY



Columbia Land Trust's Little White Salmon Conservation Area

COLUMBIA LAND TRUST

BY Jennifer Anderson

In the years leading up to Fox Valley Land Foundation's merger with The Conservation Foundation, founding board member June Keibler was in the office five days a week.

I was having to spend an enormous amount of time there because we had just one full-time and one part-time staff," Keibler said. No one else on Fox Valley's board had the time to devote to office duties, and Keibler was getting tired.

"We had to either pull back or charge forth in a major way," she said. "I believe the direction we went in was the right one."

Experts in land trust sustainability would agree with her, especially in light of the economic downturn.

In its 2010 report, *Creating an Environment for Success: Mergers and Other Partnership Structures for Environmental Nonprofits*, the Institute for Conservation Leadership states that financial stability can be a "happy byproduct" of mergers. This can be particularly beneficial at a time when only 35% of 1,300 nonprofits interviewed by the Nonprofit Finance Fund ended fiscal year 2009 with an operating surplus. Nearly 90% of those nonprofits expected fiscal 2010 to be more difficult, according to the Fund.

Mergers can also greatly boost capacity.

"There are a lot of land trusts of every size doing good conservation work. Unfortunately, there are some groups that lack the capacity to do conservation right," said Marc Smiley, a partner in the Solid Ground Consulting Group. "It's pretty clear to me that when groups can't complete baselines, can't do annual monitoring, and fail to fund

their stewardship obligations, they're not really ready to be involved in active conservation over the long term."

"Groups with insufficient capacity are almost always working too hard and missing things," Smiley said. "Mergers and other forms of durable collaborations can alleviate some of these problems and help local groups do what they do best: build and sustain local relationships that support conservation."

Negotiating through Resistance

Sometimes mergers go smoothly and sometimes they don't.

Johanna Garsenstein, Chicago project manager for the Land Trust Alliance, said she has seen identity issues derail merger talks time and again. "People want to hang on to the name, or they have an emotional tie to the organization," she said. "It can be hard letting go."

At Fox Valley, there was resistance from the outset. Several members feared the larger organization would ignore its interests, primarily in Kane County. The Conservation Foundation, founded in 1972, had 15 full- and part-time staff members and about 5,000 members, while Fox Valley, founded in 1992, had approximately 500 members. Garsenstein intervened, meeting individually with board members, sometimes for an hour or more, and shared their concerns with Conservation Foundation President and CEO Brook McDonald.

“As an outsider, I think I got more honest answers than if Brook had sent his board members to talk to June’s board,” she said. Ultimately, with most members’ concerns alleviated, what started as a split vote ended as a unanimous decision to join The Conservation Foundation.

As consultant Smiley put it, outsiders can “facilitate conversations neutrally.” When two different boards looking at a merger sift through questions such as what will the combined organization look like, “you need a good, strong, unbiased facilitator.”

Once both land trusts agreed to merge, an attorney and trustee at The Conservation Foundation with experience in mergers took the lead. “He walked both organizations through the process,” McDonald said. “It all went very smoothly.”

While Keibler misses the old camaraderie of the Fox Valley board, she is overwhelmed by the benefits of the merger, completed in 2007. There is now plenty of staff to manage conservation easements, and Kane County is well represented on the new board.

TOP 5 TIPS FOR MANAGING MERGERS

- 1 Mission comes first** – how will the merger enhance the mission?
- 2 Personal relationships and trust matter** – engage a broad circle of stakeholders in the process
- 3 Time and timing are crucial** – mergers cannot be rushed or forced
- 4 Brand retention is possible and desirable** – negotiate through the fear of identity loss
- 5 Put it in writing**

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Ocean in Oregon and Washington. Three Rivers, meanwhile, had about one-third as many employees and concentrated on protection within three counties near Portland.

The two executive directors saw the benefit of joining forces. “There was significant overlap between our geography and conservation goals,” said Glenn Lamb, founder of Columbia Land Trust and executive director of the combined organization.

But their respective boards had different ideas. Three Rivers feared the larger group would ignore the urban areas whereas Columbia Land Trust feared the interests of the metropolitan area would skew the collective priorities away from the rural landscapes.

Then Three Rivers’ executive director announced she would be stepping down—a move Lamb explained created an opportunity for both land trusts to look more seriously at combining.

The groups held joint fundraisers and retreats to learn more about each other. The discussions led Three Rivers to realize its urban vision could be better accomplished with the regional and national funding a landscape-scale mission is better suited to attract. Columbia, meanwhile, discovered its goals could be better accomplished with metropolitan resources.

“Historically, Columbia Land Trust has focused mostly on rural constituencies, while Three Rivers focused on urban constituencies, including an innovative program to help city-dwellers improve habitat in their own backyards,” said Lamb. “This combining provides the opportunity to bring diverse urban and rural populations behind a single regional conservation effort.”

Rather than completely merge into a new entity, Three Rivers earlier this year transferred its assets into Columbia Land Trust, which thus kept its name. “We determined this transfer of assets made more sense in terms of funding and risk than technically merging,” Lamb explained.

Reducing Redundancy

In North Carolina, both Blue Ridge Rural Land Trust and High Country Conservancy were launched in 1997 but for different purposes, said Walter Clark, executive director of Blue Ridge Conservancy, which was created in May when the two land trusts merged.



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The Conservation Foundation “went above and beyond what they had to do,” she said.

Getting to Know Each Other

Fox Valley’s confrontation with sustainability is what Smiley would consider a “catalytic event”—an extreme situation that pushes an organization into a merger or other partnership arrangement. Without a catalytic event, a merger is unlikely, he said.

That catalytic event often is the loss of an executive director, as was the case for the Northwest’s Columbia Land Trust and Three Rivers Land Conservancy.

Both groups started about 20 years ago as all-volunteer land trusts, each working in small areas. By 2009, Columbia had expanded to 15 full- and part-time staff working across landscapes in 14 counties from east of the Cascades to the Pacific



LEFT: Participants from the various Hawai'i land trusts during a weekend retreat. "I was surprised to find none of us had taken pictures when we were out walking the lands, we were too busy talking!" said Dale Bonar.

RIGHT: Seated left to right, Columbia Land Trust Board President Jennifer Sims, Three Rivers Land Conservancy Executive Director Sharon Wood, Columbia Land Trust Executive Director Glenn Lamb and Three Rivers Board President Dave Beckett sign documents combining the two organizations.

Students at Appalachia State University started High Country Conservancy to conserve a mountain in Watauga County that was eyed for development. Blue Ridge Rural Land Trust was formed specifically to protect farmland in several counties, including Watauga.

An attempt to merge in 2003 failed, which Clark pins on a lack of momentum. "It all has to come from your donor base," he said.

In the ensuing years, both groups' missions "became blurred," Clark said. "Donors were asking, 'Why are there two organizations in the same area doing the same thing?'"

It wasn't until 2009, when High Country lost its executive director, that merger talks resumed in earnest. Even then, there was reluctance.

"People were afraid of losing an identity they'd worked so hard to create," Clark said. A key question became: what reason are we going to give donors if we decide against a merger? But everyone in their heart of hearts knew it was the right thing to do," he said.

High Country Founder Bob Cherry, now a member of the combined board, likened the decision to merge to sending children off to college. "You trust things will work out for the best, but at the same time you worry."

Cherry said he has witnessed multiple benefits since the merger. "It has reduced some of our costs and overhead and removed some of the confusion landowners and donors have had in dealing with two separate organizations."

The combined organization now has five staff members, retaining employees from both former land trusts, and board members from both groups now serve on the combined board.

Even the name was blended, Clark noted, further softening concerns of identity loss.

Appealing to Donors

Creating an organization with the skills and professionalism necessary to attract donors becomes even more critical when, as in the case of Hawai'i, agricultural land runs as much as \$75,000 an acre and the development pressures are enormous.

"The purchase of conservation lands or easements requires tremendous support from foundations and donors who expect professionalism and efficiency," said Dale Bonar, executive director of the newly created Hawaiian Islands Land Trust. "Merging into a single, stronger organization is also critical to attracting increased funding from the mainland-based foundations that have not previously been active in Hawai'i, but have the environment as one of their focus areas. Our ability to be better viewed on the mainland as a modern, streamlined organization helps everybody."

Four land trusts—Kaua'i Public Land Trust, O'ahu Land Trust, Maui Coastal Land Trust and Hawai'i Island Land Trust—will complete their merger and become the Hawaiian Islands Land Trust this year.

Merging four land trusts into one requires as much if not more sensitivity to people's concerns of identity loss than blending two organizations. As with other mergers, communication was critical. "Representatives from the four land trusts, as well as other allied conservation organizations, would meet on the different islands, walk the land, and spend days together talking about our visions for our islands and the best ways to address our challenges," Bonar said.

Quick Take

Land trusts looking to merge should be prepared to address:

- Concerns over identity loss
- Clear communication about the merger to donors
- Bringing in outside help
- Publicity of the merger to the public

The structure of the new organization helped appease people's concerns about losing conservation focus on their regions or loss of their donor base. Although the Hawaiian Islands Land Trust central office is on Maui, each island still has a staff presence as well—the former executive directors of Kaua'i, O'ahu and Hawai'i land trusts are on their islands as directors of their local land trust councils, recruiting members and pursuing local issues. The board of the merged organization is composed of representatives from all islands, including representatives of the local councils, with no more than 49% representation from any one island or from out-of-state.

In a united organization, the former executive directors can now specialize in various aspects of land conservation or organizational operations in which they excel, thus reducing redundancy and promoting the kind of efficiency donors expect.

"Professionalism is more critical than ever given the level of detail we need to be applying to conserve land in perpetuity," Bonar said. "By merging, we are better able to do that." 🌿

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