

Mergers & Partnerships

Thumbnail

How an Acquisition Can Preserve Programs and Neighborhood Vitality

The Opportunity - and the Challenge:

- The executive director of an \$18 million social services agency was asked by the board member of a sister agency if he would be interested in combining forces.
- The ED was interested - similar programs, similar mission, adjacent neighborhood to serve - but also concerned - he knew the agency had financial problems.
- The ED was excited - but realized he and his board didn't have the expertise or time to pursue it.

"Ours was a preservation strategy. We wanted to keep the programs in the community and it fit our mission of serving all ages under a settlement house umbrella."

-Executive Director

The Expertise - The LaGreca Company & KrasnePlows Team:

- Offered proven experience in mergers and acquisitions as well as critical outside objectivity
- Established trusted relationships with each executive director, crucial since one agency was stronger than the other
- Conducted due diligence of the potential acquiree - operational strength, financial health, funding sources, management capabilities, and cultural fit
- Supported both agency heads as they worked through the unexpected challenges of fiscal improprieties and staff turnover
- Worked with the executive director and board executive committee to analyze options and risks before recommending the best strategy for combining the two agencies
- Acted as mediator in negotiating lease agreements and myriad other acquisition details

"The real benefit The LaGreca Company & KrasnePlows provided was that they had the same strategic perspective as the board and I did."

-Executive Director

The Result:

- An organization with the operational and financial strength to continue to deliver quality programs to its entire community
- A board and staff even more engaged by the opportunities created by the combined entity
- Funders supportive of the combination because it preserved good programs and provided a respectful resolution for a weakened agency
- A stronger reputation for the agency, a community certain that it will get the services it needs, and a settlement house that stays true to its mission

"Seize the unexpected and make it an opportunity."

