

# Emerging Trends Merging Land Trusts & Blending Missions

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# “Right Sizing Your Organization”

- Overview – Jeff Marshall
- Montgomery County Land Trust & Natural Lands Trust – Dulcie Flaharty
- Conservancy of Montgomery County & Heritage Conservancy – Mary Lou McFarland

# What is the future of the land trust movement?

- ❑ Expansion of the movement with more small and large land trusts being formed.
- ❑ Consolidation and growth like other “industries”
- ❑ Post peak reductions

# Overview

- Rightsizing has become a common term used to describe a proactive, strategic plan by an organization to operate with efficient human resources. Rightsizing is intended as a long-term move to get the organization set up in a sustainable model.

# Right Sizing

- Although the phrase “right sizing” has been used in some organizations as a euphemism for “downsizing” to make it seem more pleasant than it is, they are not the same thing. Rightsizing is proactive and needs to be a constant part of the process of managing an organization.

***Land trusts with their promise of perpetuity should be held to a higher standard to ensure their sustainability.***



# Good organizations are constantly asking "what if" type questions.

- It is when we are caught off guard by a major recession like 2009 that we can become frantic about being way out of line relative to current conditions.
- The best way to avoid crisis mode is by planning.



# Dramatic Change

- Negative dramatic change is disruptive to the organization and to public perception.

# Strategic Restructuring

- improving, enhancing or expanding services
- to leverage resources,
- become more cost effective – goal of preserving the mission,
  - develop greater organizational efficiencies related to programming, administrative capacity, or fundraising.
  - Duplication of services is viewed as wasteful
- to engage more community leaders or board members, or increase their community profile





# Methods of classification

- alliances, which do not involve change to the corporate structure,
- integrations, which do.
  - management service organizations,
  - joint ventures,
  - parent/subsidiary relationships, and
  - Mergers

A merger is defined as an integration or combining of two or more separate organizations into one legal entity. Under this definition, program, administrative, and governance functions are all combined.

# Collaboration

- Every collaboration and partnership is different. There are, however, some underlying elements that make for successful collaborations. These elements include vision, planning, mutual respect and trust, adequate financial resources, committed partners and leadership, clearly articulated roles and responsibilities, and sound communications.
- Greater transaction expertise, more organizational capacity, increased funding opportunities, credibility, opportunities for long-term partnerships, positive publicity, and increased land protection overall are some of the many benefits that successful collaborations can offer.

# Mergers

When organizations merge or are acquired, appropriate integration needs to happen. Ultimately the combined organization will have to reflect the joined operation, but how does a wise organization get to that ideal state with the least amount of pain?

## 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

# Right sizing

- Sizing an organization following a merger is really no different from determining the correct size of any organization at any time. It is a matching of the work to be done to the resources available.
- The newly formed entity is not really just the sum of the two previous separate groups. It is a completely different organization. For a time, it may be necessary to run heavier than desired as the old processes must exist in tandem with new ones being invented.

# 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**

FROM *CREATING AN ENVIRONMENT FOR SUCCESS*,  
[WWW.JCL.ORG/RESOURCES/PUBLICATIONS](http://WWW.JCL.ORG/RESOURCES/PUBLICATIONS)

# Factors Related to Non Profit Mergers

## Stage 1: Pre-merger

[http://nonprofitfinancefund.org/files/images/initiatives/aboutmergers\\_ma\\_pnonprofits.pdf](http://nonprofitfinancefund.org/files/images/initiatives/aboutmergers_ma_pnonprofits.pdf)

### **1A. Financial soundness of the merging organizations**

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1A1. Fiscal stability as a motivation to merge

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1A2. Fiscal stability of pre-merger organizations

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1A3. The monetary costs of considering and implementing a merger

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### **1B. External considerations**

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1B1. Motivation for organization to stabilize and survive to meet community needs

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1B2. Funder pressure to consolidate

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1B3. Increased competition for resources

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1B4. Environmental changes (Including technology, government policies and vouchers)

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### **1C. Organizational structure**

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1C1. Characteristics of organization (size, operation time, budget)

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1C2. Compatibility (mission/strategy/values/culture) of each organization relative to the other(s)

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1C3. Positive pre-merger relationship between/among executive leadership

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### **1D. Leadership**

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1D1. Presence of strong/committed leadership (individual or group)

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1D2. Executive turnover and the need for skilled leadership is a motivation for merger

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\* *Includes practice observation.*

# Factors Related to Non Profit Mergers

## Stage 2: Merging Process

### **2A. Key stakeholder involvement**

2A1. Executive staff champion

2A2. Board commitment to the merger process

2A3. Client, consumer, and funder involvement in planning

### **2B. Role of staff in merger process**

2B1. Staff involvement in planning

2B2. Communications with staff throughout process

2B3. Staff's perception of the effect of the merger

### **2C. Integrating formal and informal structures**

2C1. Attention to cultural integration

2C2. Attention to board and mission integration

### **2D. Providing due diligence to the process**

2D1. Clear decision making process

2D2. Clear and realistic time frame



### **Stage 3: Post-merger**

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#### **3A. Funding and support**

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3A1. Merger strengthens the financial stability of the organization

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3A2. Merger improves the image, reputation, or public support for the organization

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#### **3B. Services**

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3B1. Merger saves or helps to expand services

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3B2. Merger improves the quality of existing services

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#### **3C. Climate and culture**

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3C1. Organizational identification

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3C2. Conflict and morale issues following a merger

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#### **3D. Organizational capacity and structure**

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3D1. Operational efficiencies and increased economies of scale

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3D2. Structural changes in staffing, management, and governance

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# Factors Related to Non Profit Mergers

## Stage 3: Post-merger



# Case Study 1

- **Montgomery County Lands Trust and Natural Lands Trust**



Natural Lands Trust

*land for life*

[www.natlands.org](http://www.natlands.org)

# Merging Land Trusts & Blending Mission

Case Study #1:  
Montgomery County Lands Trust  
and Natural Lands Trust

If, who, when and how????

**So many possibilities.....**



**Can you find the perfect match?**



# Our Story: *Setting the Stage for a Partnership*

- Strategic partners for 15+ years
- Complementary missions
- History of partnerships & collaboration
- Several key personal connections
- Boards that trusted their staff leadership

# Partnership Deepens: How & Why

- Collegial effort leads to shared successes.
- Formal MOU developed in 2001.
- Clearly defined landscapes for collaborative activities.
- Interacted on conservation, education and advocacy efforts.

# Banking Trust & Sharing Success Invaluable!



# Changing Realities

- Understand that change is not to be feared.
- Revisit & refresh business model often.
- Assure that you build & maintain a healthy organization.
- The mantra remained,
  - MISSION ABOVE ORGANIZATION.



# Dialogue Leading Up to Decision to Affiliate

- External research and internal conversation.
- Parallel discussion between Boards & Senior Staff on benefits of aligning organizations.
- Small subset of Boards met in late 2011 & decide to “affiliate” by June 30, 2012.
- Boards acting on good faith; proceeded to speedy affiliation. ***But first.....***



# Transition & Affiliation

- Due diligence completed to assure that the move forward was safe with no “smoking gun”.
- Staff positions reviewed and where appropriate cut. NLT began taking responsibility for administration.
- Abridged resources of time and communication were focused on retaining a presence in Montgomery County while transferring & strengthening affinity to NLT.
- Time needed to attend to relationships and review and purge files.

# Affiliation vs. Merger

- Decision to affiliate for defined period of time rather than merge immediately was intentional.
  - Did not want to extinguish Montgomery County focused efforts or discredit grass roots relationships.
  - Allowed for thoughtful blending of functions.
  - Provided time for public acceptance of jointure.
  - Message of “consolidating resources & streamlining operations” received well by all sectors

# Realities Supporting Affiliation

- MCLT was in a stable financial position
  - Organizational endowment sufficient.
  - All 50+/- easements with stewardship funding.
  - Operating reserve available to fund transition.
- MCLT had gone through LTA Accreditation.
- Long standing strategic relationship & shared organizational culture.

# Nuts & Bolts: What We Did



# Critical Tasks During Transition

- Outreach to diverse constituencies in strategic manner.
- Assure funding for transition available.
- Close physical office with sensitivity to donors & supporters.
- Review & purge of files prior to consolidation.
- Blend data for membership & fundraising.
- Communicate with owners of eased properties for information & reassurance.
- Transition monitoring & easement interaction to NLT staff.

# Once Affiliated

- For first two years MCLT was an affiliate working within framework of NLT.
- Membership/donors were transitioned to MCLT/NLT with foreshadow of total blending.
- Executive Director of MCLT remained visible presence in Montgomery County.
- MCLT communications were transitioned in web and print outreach.

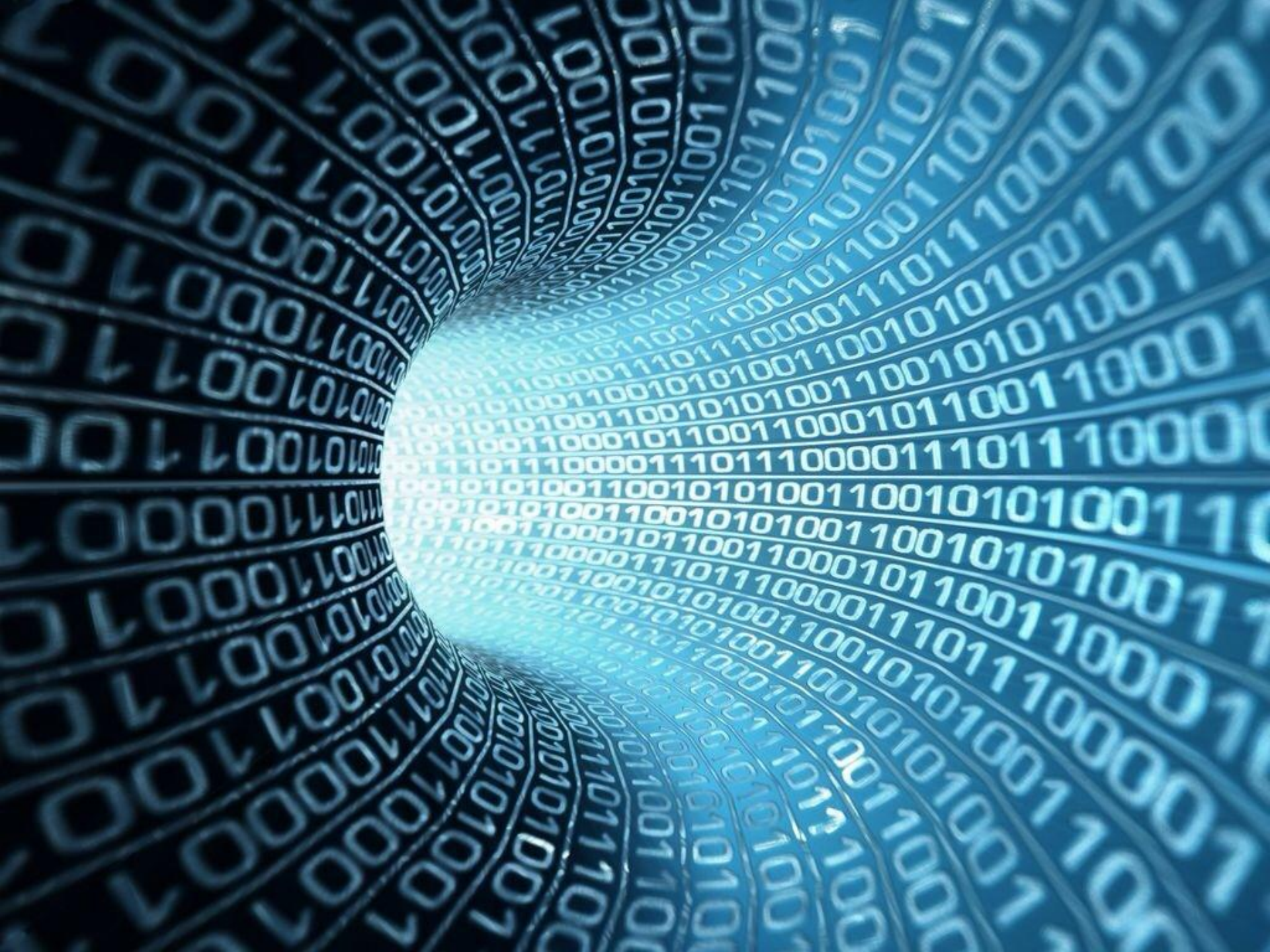
# Total Blending

- Plan followed & two years into process organizations were totally blended.
- Executive Director of MCLT became Vice President, Community Partnerships at NLT.
- Surprisingly little resistance to final alignment.



# Surprises!!!

- Big things were easy.
- Small things were difficult.
- Data...Data...Data...Darn Data!
- Patience & flexibility a mandatory element.



# Ongoing Efforts

- After 36 months wide acceptance for blended organizations .
- Transfer of affinity working.
- Leveraged interpersonal relationships with key constituencies remains greatest asset .
- Strong consistent messaging built affiliation towards & through total blending.
- Regional impact projects help build affinity.





# Lessons Learned: Why it Worked

- Similarities in culture.
- Decades of generous collaboration.
- Years of banked trust & shared successes.
- Professional leadership had built strong ties.
- Both organizations benefited from good governance & responsible oversight.
- Professionally administered records & documentation, blessed by LTA Accreditation.
- MCLT was reasonably funded and endowed.

# Lessons Learned: Improving Process

- Critical nature of merging membership, donor information & communications should be recognized.
- Responsibilities necessary for smooth transition should budgeted and funded.
- Question of affiliation, blending, merging remains a tricky challenge.



Okay Outcome

Good Outcome

# Mission Above Organization

## Right Sizing Organization for the Mission



# Thank You

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# Case Study 2

- Conservancy of Montgomery County and Heritage Conservancy



# A Dynamic Process

- What is right for the organization today will probably not be right tomorrow.
- Rightsizing is a creative, constantly exciting process of adjusting one's organization to be the most efficient, effective, and sustainable can possibly be.
- The process of rightsizing is not immune to outside forces, but unlike downsizing it does not wait for things to happen to the organization that force reactive changes. Those who understand rightsizing drive strategic change in a positive direction.



# **Models of Collaboration Among Land Trusts**

A Research Report Prepared for Maine Coast Heritage Trust

Commissioned by the Maine Land Trust Network  
A program of



Prepared by Sylvia Bates  
SKBates Conservation Consulting, LLC  
435 Winona Road  
New Hampton, NH 03256  
603-279-8890

<http://www.mltn.org/documents/Models%20of%20Collaboration%20Among%20Land%20Trusts.pdf>

# Sources



## Merger

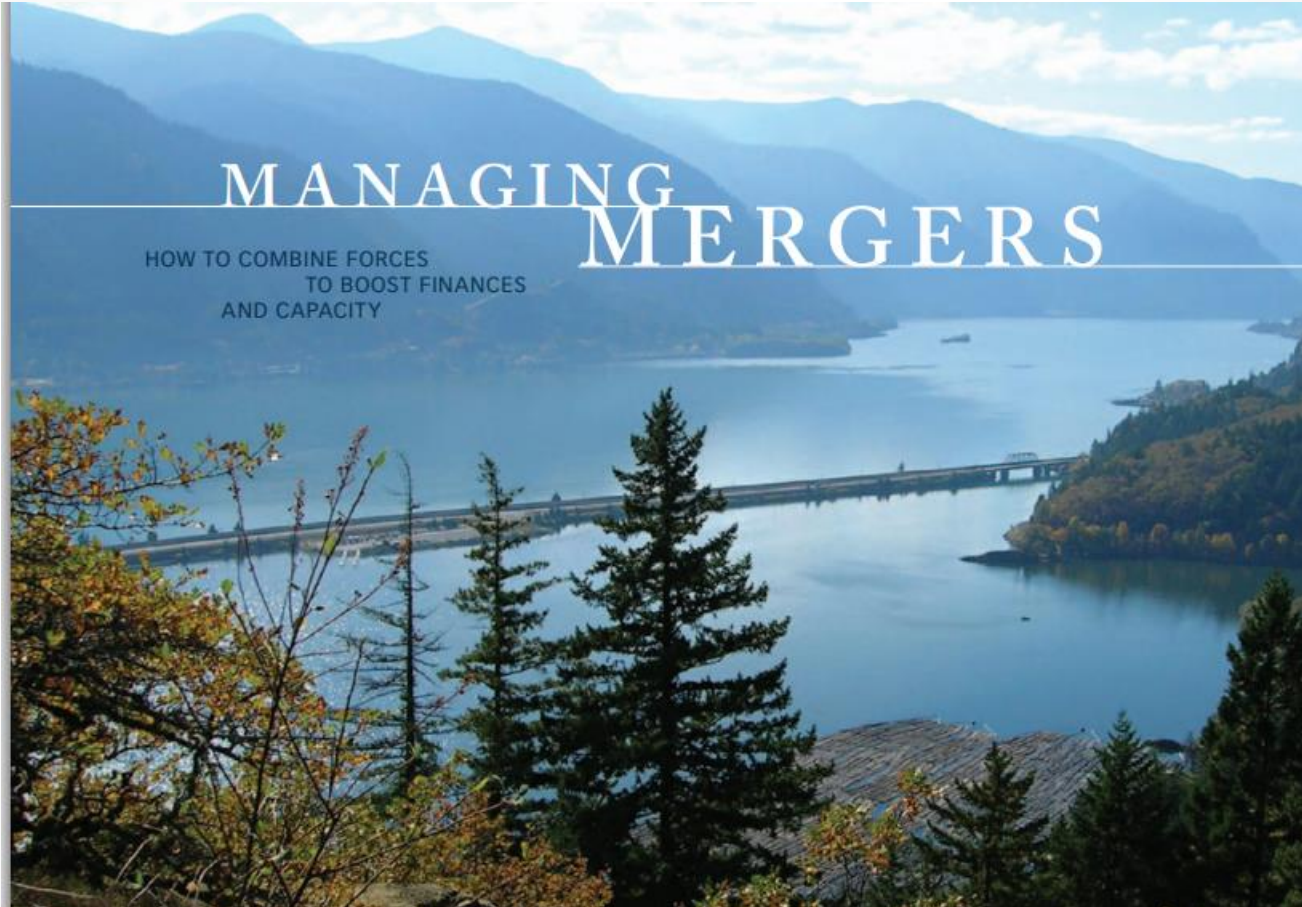
### *An Introduction for Conservation Organizations*

A land trust may merge with another land trust or other conservation organization in order to more effectively advance the goals of each organization.

<http://conservationtools.org/guides/show/113-Merger>



# Sources



<https://www.landtrustalliance.org/about/saving-land/winter-2011/SL%20Win11%20Managing%20Mergers.pdf>

# Can a land trust be too large or too small?

- Mission
- Geography
- Structure

# Why Right Size Your Organization?

- To make headway into new and better, or at least different and more creative, ways to provide services and save the world.