



How two firms successfully merged

By **Barry VankerKelen**

Two local nonprofits merged at the beginning of this month: Creative Mediation and Wilshire Health and Community Services. I spoke with Jesse Sostrin, executive director of Creative Mediation, about the process that led to the merger. This case study provides a number of lessons for all nonprofits.

Creative Mediation provides dispute resolution and facilitation services. Its board and staff noticed shifts in its sources of funding. They began reaching out to new markets. One group that seemed to be under-served was seniors. As part of his outreach, Sostrin met with Carol Schmidt, program director for Senior Peer Counseling, an agency of Wilshire Health and Community Services. Senior Peer Counseling provides counseling and support services to seniors.

Schmidt was interested in providing additional support to her clients. According to Sostrin, their conversation sparked new ideas, including thoughts of combining in order to build mutual strength. The Creative Mediation board encouraged Sostrin to pursue potential partnerships. As the discussion progressed and began focusing on a merger, the board considered carefully the pros and cons of

such an arrangement. It worried that the mission of Creative Mediation would drift and focus only on seniors. At the same time, it saw how sharing administrative costs could lead to mission fulfillment.

The Creative Mediation board made sure the process wasn't rushed. "We had plenty of time to pause and ask hard questions," Sostrin said. "We looked for ways to do our work differently and what conditions in the community needed to change for us to stay independent. We kept coming back to the idea that a merger would be best for the organization."

Wilshire Health and Community Services board and staff conducted their own due diligence. Tricia Ritchie, president, represented the organization in the negotiations with Creative Mediation. Sostrin said that he and Ritchie were respectful and professional, which allowed delicate issues to be addressed constructively. He said that their relationship was the key to success. "We stayed focused on the big picture," he said. "This helped keep defensive responses away."

As the concerns of both organizations were addressed, a solution emerged. Rather than combining Creative Mediation with Senior Peer Counseling into one organization, Wilshire Health and

Community Services reorganized its operations to form a new division, Wilshire Community Services. Wilshire Community Services includes Creative Mediation, Senior Peer Counseling and Caring Callers, an existing agency. Sostrin is now the executive director of the new division. Schmidt continues to lead Senior Peer Counseling.

This merger provides a number of lessons:

First, Creative Mediation responded to changes in funding sources by reaching out to new markets; in addition to seniors, Creative Mediation now has greater access to the medical community through Wilshire Health and Community Services' other programs.

Second, Sostrin's network led to a conversation that sparked new ideas.

Third, Creative Mediation's board explored every opportunity to stay independent and then determined a merger was best for the organization; the board stayed focused on the mission.

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Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

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