

# Merging RIS and II: A Case Study

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# Dynamics Behind Merger



- | Early summer 2008 (pre-Recession), Integrating Ireland coming to end of strategic plan
- | As new Chairperson, reflecting on effectiveness and thinking about best way forward
- | Many achievements – recognition that needed to make more impact given issues facing our ‘constituency’
- | Felt that migrant sector was too fragmented
- | Mandated CEO to explore possibility of creating a strong organisation
- | CEOs of three organisations had already been holding discussions – some ground already covered

# Drivers for the Merger



- | Current environment included reducing numbers of asylum seekers and a falling level of inward migration
- | Increase in level of second generation migrants – new set of issues emerging
- | Economic crisis presenting challenges for migrants
- | Imminent wind-down of major philanthropic organisations – no sign of replacements
- | II and RIS client groups were converging – some duplication of effort
- | Aware of need to provide nation-wide service to clients – individually did not have resources to meet need for national coverage
- | Some areas where combined expertise/experience and/or structures would significantly increase outcomes and impact potentials from investments
- | Number of key integration areas that neither organisation was addressing sufficiently/efficiently
- | Combined expertise, resources and experience would provide stable and comprehensive national framework and presence through which social change could be implemented in an unprecedented way

# Exploratory Discussions



- | Chairpersons of three organisations fully briefed on earlier discussions
- | Three CEOs held discussions with funders
- | Enthusiastic support – commitment to put their money where their mouths were
- | Trilateral meetings held with CEOs and Chairs
- | Developed TOR for feasibility study – supported by One Foundation
- | TOR approved by Boards – however, one of the organisations subsequently withdrew

# Feasibility Study



- | Feasibility study undertaken by Prospectus between September 2008 and March 2009
- | Series of one-to-one meetings; consultations and workshops with II and RIS Chairs, Boards, CEOs and Staff
- | Series of meetings and consultations with funders, sector 'experts', government and key Immigration NGOs
- | Regional meetings with II network member organisations and survey of 240 member groups to get feedback on the merger
- | Interim report to each Board in November 2008
- | Final report to each Board on 10<sup>th</sup> February 2009 with outline of options considered through process (status quo, back office merger, full merger)
- | II and RIS Boards adopted report and recommendation that the organisations proceed to full merger

# Decision to Merge



- | Boards signed Memorandum of Understanding on 31 March and 1 April
- | Appointed Interim Board – four from each organisation
- | Brief included:
  - Driving transition phase overview of interim funding proposals;
  - Obtaining legal advice on employment and company law issues;
  - Creation of new Company and appointment of Board and CEO.

# Board 'Catching-Up'



- | Considerable groundwork done by CEOs
- | Were well ahead of board in terms of thinking on merger issues
- | Board needed to get ideas and proposals independently examined
- | Make sure that what we were doing was in best interests of the organisation
- | Took a few months to catch up and be clear on where we wanted to go
- | Did cause some frustration – right thing to do

# Executing the Merger



- | Board originally wanted to execute merger after strategic planning – last act of the process
- | However, interim board had no standing – decisions had to revert to original boards
- | Time consuming and bureaucratic
- | No legal protection either
- | Given economic difficulties – staff restructuring needed to be frontloaded
- | Lawyers executed merger within a few weeks in July 2009 and transferred all undertakings

# Staffing Changes



- | Considerable investment of time in staffing
- | Got detailed advice on best way forward – TUPE applied
- | Early decision to appoint CEO, Jo Ahern
- | Board decided – based on advice – on what its bottom lines were for staff restructuring
- | Met staff on a few occasions – still some shock at extent of changes required
- | Negotiated a change agreement with staff through SIPTU – great to have one point of reference
- | Fantastic leadership shown by key staff – very mission centred
- | Have reduced numbers from 24 to 12 – only 3 compulsory redundancies
- | Further changes in hand
- | Now implementing a change management plan to help staff move from past to future
- | Plenty of ‘face time’ a key feature

# Business Planning



- | Held tendering process for business planning – appointed Peter Boyd and Associates
- | Experience of evaluations with both organisations – hit the ground running
- | Process began in July and will be concluded in December
- | Massive work done by staff and consultants
- | Considerable engagement with stakeholders and funders
- | Because of focus on restructuring, active Board engagement began in September
- | Held special meetings to consider – Board focusing on overall direction of organisation and ‘big picture’
- | Leave detail to consultants and staff



# Where are we at now?

- | Business plan almost complete
- | Working with funders to fine tune plan to meet their requirements
- | Implementation of change management plan underway
- | Developing brand and name
- | Talking with others in sector, briefing them on where we're going – could merge again in next few years
- | Getting ready for launch in New Year

# Reflections and Learnings



- | Staff contribution vital – particularly senior managers
- | Need for plenty of ‘face time’ with staff before, during and after process
- | Active Board engagement crucial
- | Costly exercise – support of funders’ needed
- | Take the time to get it right – engagement with all stakeholders
- | Very time intensive process – board meeting fortnightly since April
- | Good advice and support is essential
- | Not all or nothing – many forms of collaboration
- | Only collaborate for the right reasons – about delivering more effectively on the mission

# More Thoughts



- | Need to be aware of iceberg syndrome – often it's what isn't on the surface that needs to be addressed
- | Cultural fit a major issue – biggest cause of failures
- | Need change management process
- | Provide space and opportunities for people to get to know one another
- | Spend time discussing and agreeing on 'how we do things'



# Sector needs to explore collaboration

- | 25,000 NGOs – 7,500 with CHY number
- | Weak capacity – limited staff and funding
- | How effective is sector in delivering on change
- | Relatively weak in impacting on agenda in current context – NGO sector not alone in this regard
- | How can sector be stronger?
- | Collaboration and consolidation has to be on the agenda – to make bigger and more sustainable impacts
- | Funders – including Government – looking at this area
- | Maybe better to do it before it's done to you

# Some Ways Forward



- | Collaboration needs more active discussion and consideration – today's conference important
- | Stronger leadership required on this – sectoral organisations, funders
- | Create more opportunities to share the learning – happy to help in that regard
- | Create a fund to provide support – Modernisation Fund in UK