

# **Nonprofit M&A: a Sustainability Strategy**

**La Piana**  
DRIVING SOCIAL IMPACT since 1998

  
**ISNS**

**OCTOBER 27, 2025**

# Welcome!

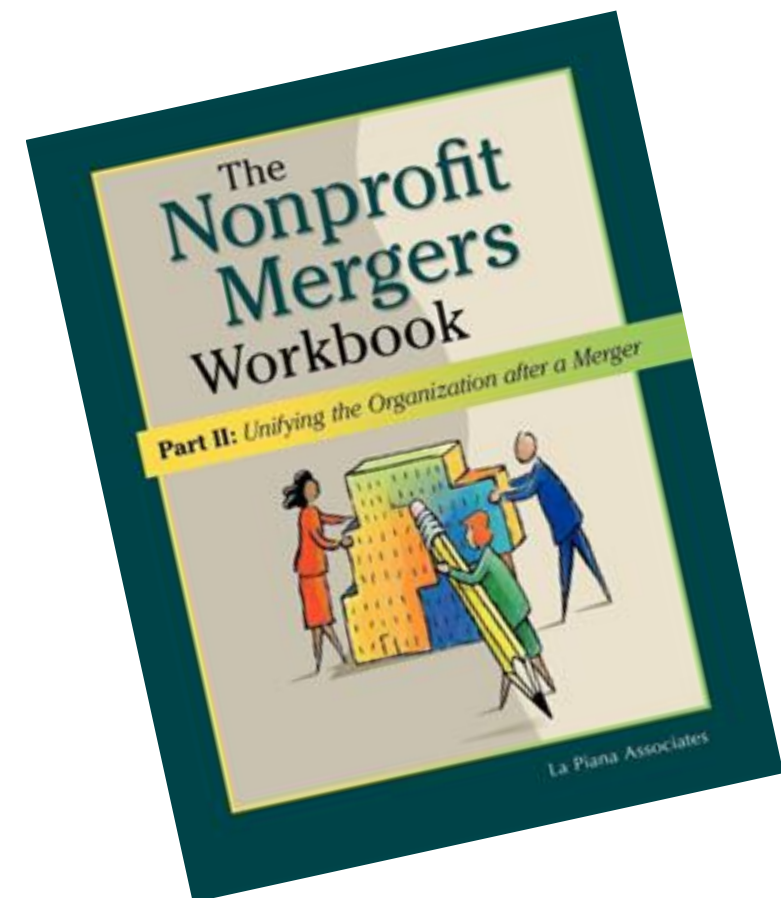
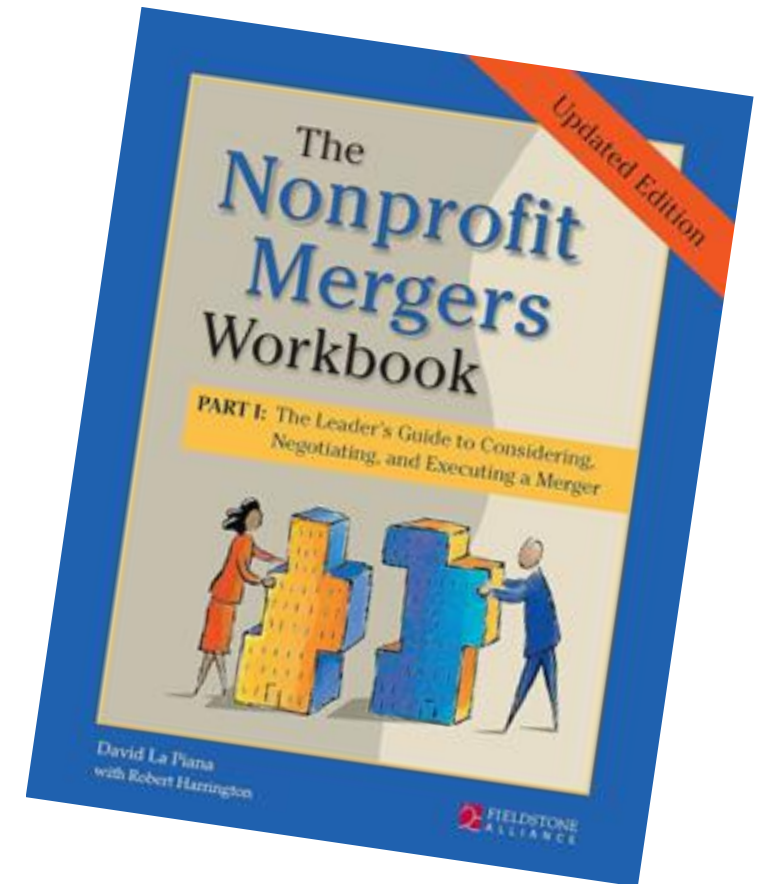


Onuka Ibe  
(he/him)  
Managing Partner

La Piana Consulting is a national management consulting firm founded in 1998 to help nonprofit and foundation leaders amplify their impact.

Practice areas include:

- Scenario, strategic, business, and succession planning
- Mergers and alliances
- Board and leadership team development
- Organizational structure and culture
- Training and facilitation.



# Agenda

- ✓ Defining nonprofit M&A
- ✓ Trends in the nonprofit sector
- ✓ Nonprofit M&A motivations & forms
- ✓ Success factors & roadblocks
- ✓ Partnership development process
- ✓ Managing change
- ✓ Q&A

# What Exactly is Nonprofit M&A?

- At La Piana Consulting, Nonprofit M&A refers to **Mergers and Alliances**: Strategic partnerships that **change the business model** of two or more organizations
- Nonprofit M&A goes beyond short-term collaboration and typically includes a legal agreement, though there often is no exchange of money
- Options include nonprofit organizations owning for-profit subsidiaries

# For-Profit v. Nonprofit M&A

- Has owners who base business decisions on a financial bottom-line.
- Can use financial incentives to encourage an “acquisition”.
- May create efficiencies through staff reductions.
- Process revolves primarily around due diligence (lawyers, financial analysts, and accountants analyze the transaction).



## For Profit Organizations

- Has a volunteer board whose role is to uphold the public trust– it must base decisions on mission impact and alignment with shared values.
- Grounded in mission and advanced by trusting relationships between leaders.
- Partnership may be more about positioning for growth than eliminating redundancies.
- Often must first determine whether there is alignment of vision, mission and values before committing funds to due diligence



## Nonprofit Organizations

# Nonprofit Sector Sustainability Trends

- 86% of organizations' work was affected by inflation in 2024
- 84% of organizations with government funding expected cuts due to the 2024 U.S. elections
- 85% of organizations expected demand for services to increase in 2025
- 36% of organizations had an operating deficit in 2024, up from 15% in 2021
- 80% of organizations had less than 6 months of cash on hand in 2024
- Philanthropic grants have gotten smaller while wait times to learn if an award was received have increased

Source: Nonprofit Finance Fund's 2025 National State of the Nonprofit Sector Survey of 2,206 organizations between January 30 and March 14, 2025

# Nonprofit Merger & Alliance Trends

- More organizations pursuing M&A as a competitive strategy rather than a solution to a crisis
- Increasing funder support of multi-organization M&A (3 or more organizations integrating)
- Increased interest among national and federated organizations
- From survey of La Piana Consulting clients who have completed an M&A integration:
  - **79%** would recommend M&A to other nonprofits
  - **79%** would consider additional M&A in the future



# M&A Myths and Misconceptions

- Ending negotiations without a decision to joint forces is failure
- M&A is the result of financial crisis or poor management
- M&A means losing your identity and your history
- M&A must have a winner and loser
- Funders will reduce support if two or more grantees combine
- M&A is about saving money

# Motivations for Exploring Nonprofit M&A



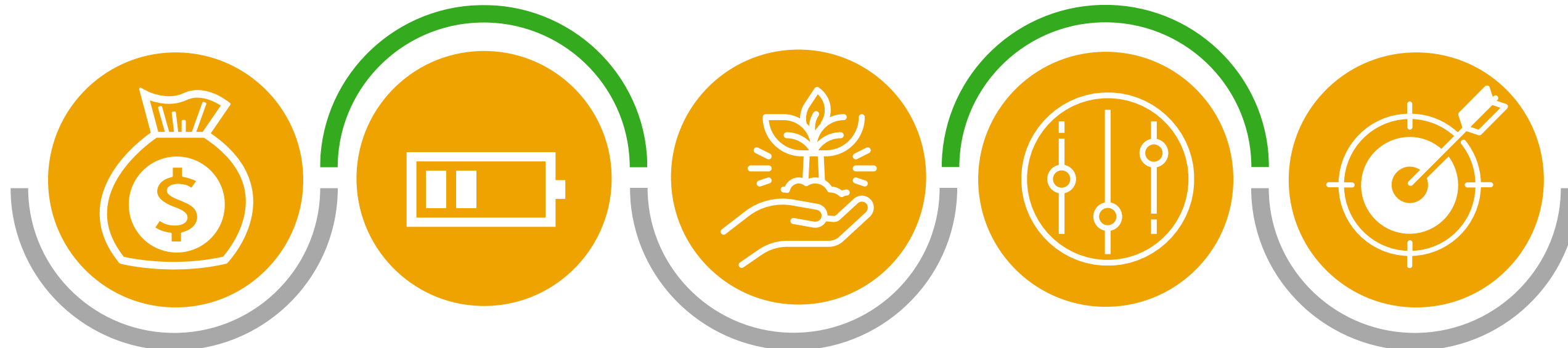
**Strategy  
Advancement**

**Market  
Growth**

**Leadership  
Challenges**

**Board  
Challenges**

**Meet Needs of  
the Community**



**Improve  
Financials**

**Increase  
Capacity**

**Co-Create  
Solutions**

**Policy & Regulatory  
Positioning**

**Other  
Reasons**

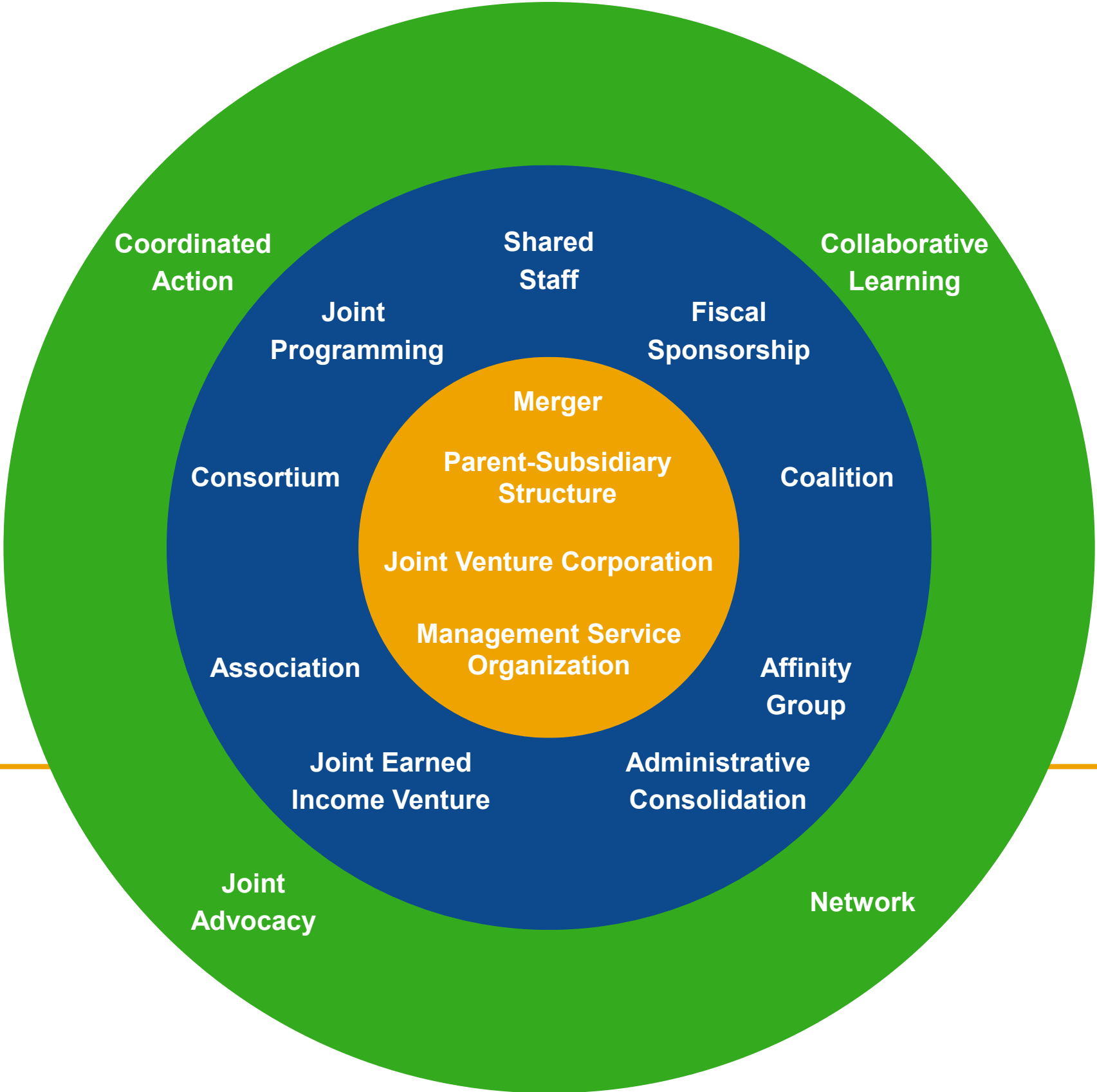
# The Multiplier Effect

Collaboration enhances the capacity of organizations to achieve a common purpose.

Commitment to “mission impact,” not a particular organizational structure, frees up creative exploration of how to achieve this.

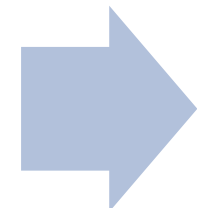
# The Collaborative Map

- Collaboration
- Alliance
- Strategic Restructuring

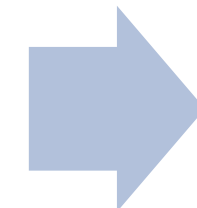


# Form Follows Function

What is the goal to be achieved?



What can be done together that cannot be done separately?



What is the right level of collaboration?

# Collaborations

If you want to...

- Pool expertise or resources,
- Amplify a policy message,
- Create and share collective wisdom, or
- Tackle social issues requiring sustained, coordinated action...

...**Collaborations** offer great flexibility in pursuing such goals without requiring any change in how partner organizations are structured or managed and need last only so long as it takes for goals to be reached.

- 
- **Coordinated Action**
  - **Collaborative Learning**

- **Network**
- **Joint Advocacy**

# Alliances

If you want to...

- Develop a more robust level of organizational efficiency,
- Provide or receive the financial and infrastructural benefits of a 501(c)3,
- Provide services or programs,
- Share the benefits (and risks) of a revenue-generating social venture,
- Network and share learning, or
- Leverage advocacy, purchasing power, standards setting and enforcement, or other activities...

...**Alliances** of various types can be very effective, and while they tend to be more formal and longer-term than collaborations, they still allow partners a significant level of organizational autonomy.

- 
- **Shared Staff**
  - **Fiscal Sponsorship**
  - **Coalition**
  - **Affinity Group**
  - **Administrative Consolidation**
  - **Joint Earned Income Venture**
  - **Association**
  - **Consortium**
  - **Joint programming**

# Strategic Restructuring

If you want to...

- Combine specific skills and expertise,
- Consolidate administrative and program areas,
- Enhance service offerings or expand reach, or
- Eliminate redundant administrative or programmatic activities...

...**Strategic Restructuring** may be right for you, as such goals are often well served by highly integrated and permanent partnerships.

- 
- **Merger**
  - **Parent-Subsidiary Structure**
  - **Joint Venture Corporation**
  - **Management Service Organization**

# Divestiture

If you...

- Face significant reduction in demand for your offerings,
- Deprioritize programs for which you lack a strong competitive advantage,
- Have no line of sight to sufficient cash to support operations,
- Have one or more programs that can survive even if the organization does not, or
- Have a disengaged board...

...**Divestiture** may result in another home for programs that no longer are a strategic priority for your organization or allow your organization to sunset in a way that reflects its values and honors the communities you serve.

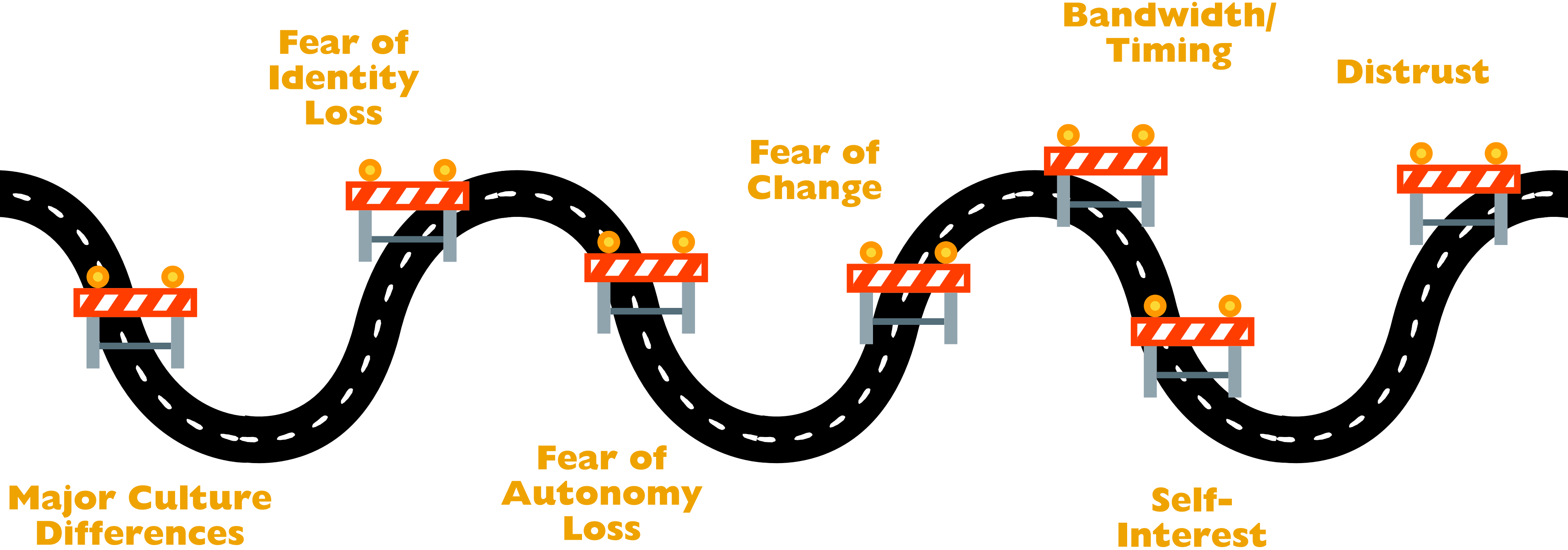
- **Asset Transfer**
- **Spinoff**

- **Wind down**

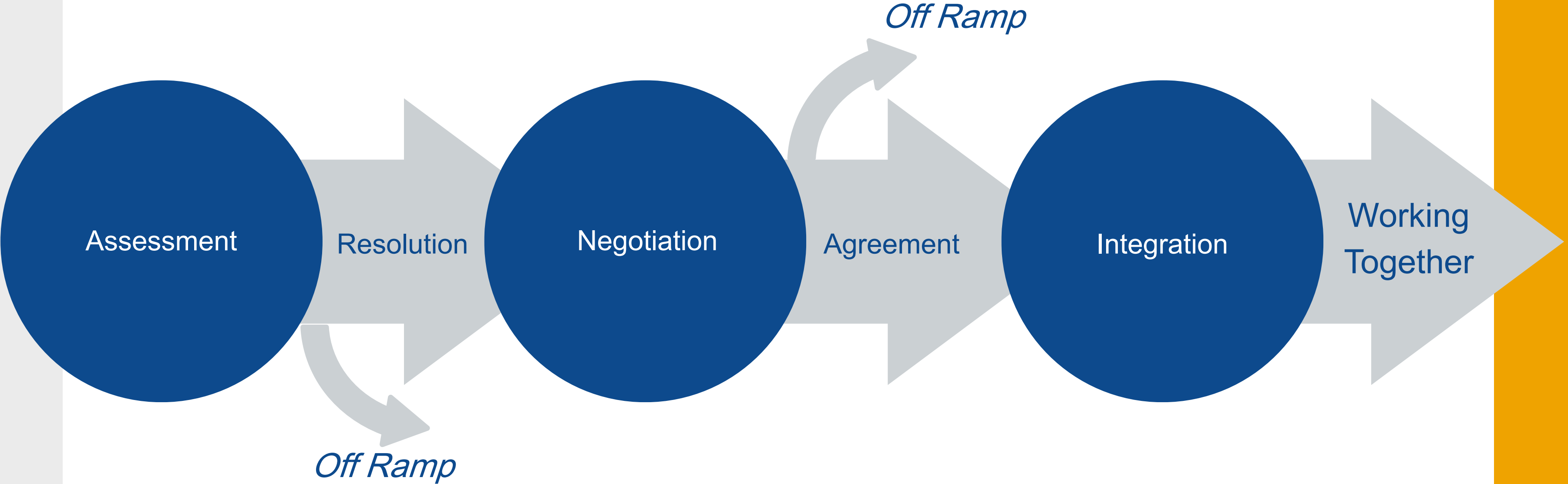
# M&A Success Factors



# M&A Roadblocks



# The M&A Process



# Managing M&A

## Timeline:

- Assessment may range from 1-12 months
- Negotiation may last 3-6 months
- It may take 1-2 years to fully operationalize the integration
- True cultural integration may take additional time

# M&A Resources Needed



## Negotiations:

- Third-party consultant to facilitate negotiations
- Support for financial and legal due diligence
- Support to finalize draft legal agreements, submissions to regulators, board resolutions, bylaws

## Integration Planning & Execution:



- Support for board, leadership, and cultural integration
- IT support to integrate systems / data
- HR / Legal support to integrate staff
- Marketing / Communications /Branding support
- Consulting support for strategic planning for the combined organization

# M&A Change Management



# Top Impacts from Leaders Who Completed an Integration

## TOP INTERNAL IMPACTS:

Improved financial health  
Stronger board Culture  
Increased expertise or knowledge  
Higher public visibility

## TOP COMMUNITY IMPACTS:

Greater program range/scope  
Greater geographic scope  
Improved program quality

# Closing Thoughts

- **Normalize M&A:** Keep integration and divestiture on the table as strategic tools
- **Get your house in order:** Confirm internal (dis)agreement before negotiating
- **Don't start with structure:** Identify shared goals and the relevant structure will reveal itself
- **Don't stop with structure:** How staff, board, and communities experience change will make or break M&A efforts; accept that not everyone will stay
- **Pursue trust, not turf:** Negotiate as equals, even if the integration is not symmetrical
- **Be real with your teams:** Your board and staff will appreciate timely honesty, especially when integration is difficult
- **Every exploration is a win:** Whether or not you integrate, M&A conversations help clarify how best to advance your organization's mission



# Resources



Merger and Alliance Toolkit

Blogs on mergers, lessons, and trends

Case Studies highlighting real-world examples

Additional Reading for deeper learning

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THANK  
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