Uniting Care West

Practical Guide:

Navigating partnerships and collaboration in the not-for-profit sector

2016 November

UnitingCare
An agency of the UnitingCare Network

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INTRODUCTION

UnitingCare West has, since its inception in 2006 as the result of a merge of eight separate entities, lead and been involved in a number of different collaborations across the spectrum of partnership options. The experience and learnings gained from these partnerships have prompted the development of this guide as a resource to be used by the growing number of not-for-profit entities who are looking to join forces with others for a variety of reasons.

While lessons can be learnt from the commercial sector it's important to be aware of the nuances of the not-for-profit environment. As such the purpose of this guide is to provide boards, Chief Executive Officers and senior staff with information about the range of possible partnership options and their applications within a not-for-profit context. In addition this guide also details the associated steps to move through the process of decision-making, selection, negotiation and ultimately the successful implementation of a partnership.

In putting together this guide it must be acknowledged that much of the content has been adapted and updated from the Merger Resource Kit which was developed by the Community Services Unit from the Uniting Church Synod of Victoria in 1999.

In addition it must also be acknowledged that support to undertake this work was generously provided by Lotterywest who support close to 1,000 not-for-profit groups across Western Australia every year.

Finally, while the information contained within this guide can be used for all types of partnerships it is most relevant for the establishment of enduring partnerships involving significant legal and structural change, namely mergers, acquisitions and transition of services. As such it should be noted that the information contained in this guide has been designed as an overview and it is highly recommended that you seek advice for the best approach in your particular circumstance.

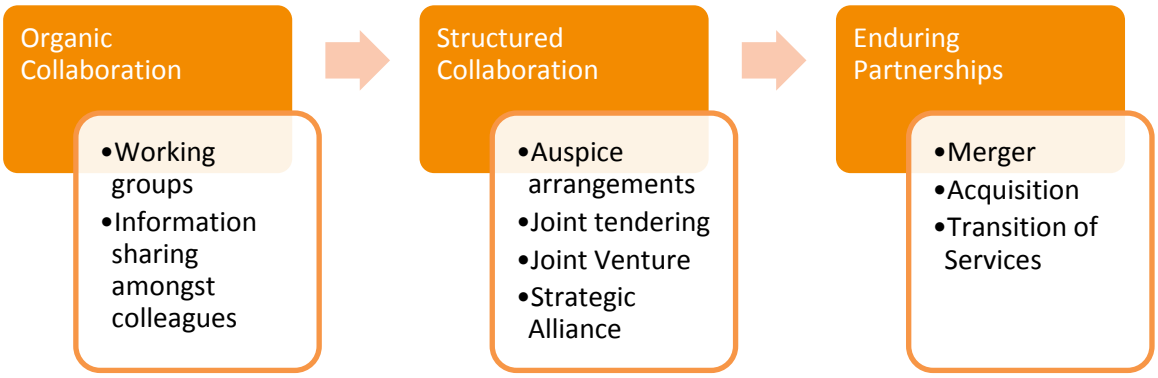
Partnership Options

Choosing the most appropriate type of partnership can be a daunting process and one that is often further complicated by the diverse understanding of collaboration and partnership within the not-for-profit sector. As such it is important to ensure that all parties are clear about what the possible options are and what the ramifications of each structure entails.

While the final decision about partnership type and the details around the structure are unlikely to be determined until later in the process it can be helpful to build an understanding of the various options before starting a conversation with another party.

As such, for the purposes of using and understanding this guide, a description of each partnership option has been included.

Collaboration Spectrum



Organic Collaboration

Organic collaboration refers to the informally occurring interactions and engagements between organisations and individuals in order to achieve a common goal. By its nature organic collaboration is driven by interpersonal relationships and so is unlikely to be governed by any formal agreements.

This form of collaboration exists in many different forms and is not only used within the not-for-profit sector but also across sectors including collaboration between not-for-profit organisations, the corporate sector and with government.

Auspice agreements

"An auspice agreement is an agreement where one organisation (the auscpicor) agrees to enter into an agreement on behalf of a second group or an individual (the auspicee). This is often a funding agreement, but can also be a lease, or insurance.

Another way to think of an auspicing arrangement is that it is a bit like a sub-contracting arrangement: the auspicor enters into an agreement, and then sub-contracts their obligations under the agreement to the auspicee. However in reality, normally the auspicee would approach the auspicor, and the auspicor may even charge a fee for auspicing the auspicee.

An auspice agreement is a legally binding contract. It sets out the legal obligations of both the auspicor and auspicee toward each other and in relation to any specific funding or other agreements"[1].

Joint tendering/service delivery

Joint tendering and/or joint service delivery involves two or more organisations partnering together to submit an application for a specific purpose ie. funding, service tender.

Under this arrangement each of the parties would maintain their own legal structures and management and work independently to complete assigned tasks. Joint tendering and/or service delivery can also be extended to encompass sub-contracting arrangements.

[1] http://www.nfplaw.org.au/auspicing

Joint Venture

Joint venture is a specific, and normally time limited, agreement between two or more parties to develop a new entity, with the parties contributing resources to establish and manage the new structure.

Case Study: CEWA

Community Employers WA (CEWA) was established in late 2007, by a group of 29 CEOs of non-government, not-for-profit community service provider organisations (founding members) in Western Australia including UnitingCare West.

CEWA's primary objective is to secure a 30% increase in government funding to non-government, not-for-profit community service organisations in Western Australia, in order that staff employed by these organisations can be paid fair and just wages.

CEWA's operations are solely funded by its member organisations, which demonstrates both the commitment of these organisations and the importance they place on achieving CEWA's objectives.

Community Employers WA was officially launched in November 2008.

More information can be found at: http://cewa.org.au/

Strategic Alliance

A strategic alliance is similar to joint venture however a new legal entity is not established and instead the alliance is likely to operate via a working group or lead agency.

A strategic alliance may encompass joint tendering and/or service delivery but can also be used for other strategic purposes including advocacy.

Case Study: Financial Counselling Alliance

In 2015 the Department of Social Services (DSS) made a surprise announcement to remove funding for all Financial Counselling services, with the effects to take place in a short space of time.

Key members of the sector quickly made the decision to join forces and establish a united front to undertake advocacy activities. This work was followed by an announcement of a new tender process to replace the services that had been de-funded.

As part of this partnership the two key agencies elected to submit a joint tender with service delivery being subcontracted to other smaller organisations involved in the strategic alliance group.

Acquisition

Acquisition is the process of acquiring another organisation to build on strengths or counter weaknesses. In the corporate sector this often involves buying out competitors or companies to quickly add capacity or overcome a weakness.

In the not-for-profit sector the motivations are often reversed and involve a larger organisation acquiring a smaller one to ensure that services are able to be maintained or to achieve improved economies of scale.

Further despite common belief, under an acquisition arrangement it is possible to maintain the identity of the organisation being acquired. In these cases the branding of the organisation or service will often be re-stated as being "a division of" or something close to that effect.

Other terms that may also be used for this type of partnership include amalgamation or takeover.

Case Study: Transitioning services from a Uniting Church Agency

As part of the growth of the Uniting Church in Western Australian many small groups and agencies developed as a means of meeting need in a local community or to address a particular issue. Many of these agencies were spearheaded by one or two key drivers whose passion and commitment enabled the organisations to run.

Over the last few years many of these small agencies have struggled to remain as they face not only a changing environment with significantly increased complexity but also the loss of central personnel as the initial founders and drivers begin to reach retirement.

In 2013 UnitingCare West acquired one such organisation as a way of ensuring that services would remain available for the hundreds of clients that were being supported.

- **Merger**

A merger is similar to an acquisition but refers more strictly to combining all of the interests of both companies into a stronger single company. That is, "community organisation's merge when they agree to join forces permanently to become one legal entity"[2].

In the case of a merge there are two distinct but similar options; A + B = C and A + B = AB. The decision between these options will normally be guided by factors such as brand strength and the amount of change being created as a result of the merge.

There is a common misconception within the not-for-profit sector that mergers are common, and in fact this term is often used interchangeably with acquisition. In actuality genuine mergers that lead to the creation of a new legal entity are rare with most being either an acquisition or transition of services arrangement.

Case Study: UnitingCare West

UnitingCare West commenced operations as a new community service agency of the Uniting Church in Western Australia on 1 July 2006. The new Agency was created following decisions taken by the Uniting Church in Australia Synod of Western Australia to merge some or all of the services and programs of the following eight community services agencies and parish missions: Fremantle Wesley Mission, Rainbow Project, Trinity Outreach Services, UCA Outreach Services, UnitingCare Kwinana; Mofflyn, Uniting Community House, and Wesley Mission Perth.

[2] http://www.nfplaw.org.au/partnerships

- **Transition of services**

A transition of services is a partnership structure which has developed out of the ethos of the not-for-profit sector. The primary aim of this partnership is to ensure that stakeholders, and in particular community service users, are supported to experience a seamless transition from one provider to another.

In most cases this partnership structure is utilised when one organisation is ceasing to deliver a service or all services and so looks to form a partnership with another organisation that will step in and continue delivery. Under a transition of services arrangement the receiving entity has no legal responsibility for the other party and will play no formal role in their ongoing operation or alternatively their wind-up.

Case Study: Transitioning services from a small, community based entity

UnitingCare West was approached by a small, community based not-for-profit who were struggling to keep up with the compliance demands of running a complex service. The organisation had a small number of clients and utilised a fairly informal staffing system to deliver their contracted services.

Rather than taking over this organisation, UnitingCare West instead partnered with them to facilitate a transition of services which ensured that there were no major service disruptions for the group of clients involved. In addition, staff from the closing entity were also given the opportunity to apply for newly created roles within UnitingCare West with many making this transition.

It is worth noting that transitions of services do also occur on a smaller, more discreet basis in terms of the transition of individual services. This is a regular occurrence across the sector and ordinarily involves two organisations working together to facilitate smooth transitions that are in the best interest of the service user.

As an example, UnitingCare West works with aged care providers to help transition our clients as they reach an age where aged care services replace the support services that we deliver.

In these cases though the formal, legal interactions are often minimal and would instead most likely to be considered as a form of organic collaboration rather than a structured or enduring partnership.

STARTING A CONVERSATION

While it's ideal to commence looking at partnership and collaboration opportunities out of strength, the reality is that many of these conversations are initiated as a result of identified issues or changing circumstances.

Some of the common factors that lead to collaboration and partnership include:

- Rapid increases in service demand;
- Crisis in revenue;
- Sustainability planning ie. Founder's Syndrome ;
- Changing external pressures ie. Governance requirements, standards monitoring;
- Changing supporter base;
- Opportunity to achieve critical mass;
- Overcoming competition or reducing duplication;
- To maintain services.

The perceptions surrounding a partnership process will be varied and are significantly influenced by the way in which the conversation has been initiated.

When you're approached

Being approached to consider a partnership or collaboration often comes unexpectedly, and for many organisations may mean navigating entirely new territory.

This initial phase requires three key assessments to be made:

- Does your organisation want to align themselves with the other? ie. fit with value/mission/vision;
- Does your organisation have the adequate resources to pursue a partnership at this time? (human, financial, timeline);
- What would be the benefit to investing time and energy into this partnership? ie. A clearly identified benefit such as maintaining services for a vulnerable group.

It is imperative that any communication during this early stage avoids making commitments or setting unrealistic expectations for the other party. Further it will also be useful to be aware of the following considerations:

- The other party is likely to have an investment in seeing their organisation/services/culture maintained;
- Key people are often personally invested, particularly if they have been involved in the service or organisation for an extended length of time;
- Even in cases where clear synergies have been identified, bringing everything together will still take considerable time and effort.

Conducting a strategic analysis

In order to help guide the process of assessing whether there may be synergies between the parties it is recommended that you undertake a profile and positioning analysis.

Profile & Positioning Analysis

This process assumes that your organisation has an up-to-date strategic plan of its own, as well as a strong understanding of your current strengths and weaknesses. If this isn't the case it is recommended that you also look at conducting a self-analysis workshop.

When you're considering making an approach

When you're considering a possible partnership it can be easy to jump straight to thinking about who might be a suitable partner, what this could look like and how you might go about getting this done.

While these all need to be considered the first step is to undertake a self-analysis. As most of the partnership options constitute changes at a governance level it is critical that all key individuals are involved in this self-analysis process including board members and senior staff.

Conducting a self-analysis workshop

Aim of the Workshop

The aim of the workshop is to analyse the current health of the organisation and motivation or incentives to consider a change in structure and/or a partnership. The board, with the input of senior staff, should understand what it hopes to achieve or the whys of the proposed change.

In bringing together members of the Board, senior staff and other key people including "out of the box" thinkers and individuals holding critical knowledge, the central questions to be answered are:

1. What are the commitments, business plan or direction of the organisation and how can it maintain a strong focus on its mission?
2. What is the catalyst triggering the consideration of the change?

Time allocated

The workshop would need a minimum of four hours to conduct the following:

- A SWOT analysis;
- Discussion of the information and implications for the organisation;
- Development of a minimum set of expectations to proceed to the next step of making contact with possible partners;

- Recording a resolution to proceed in principle with partnership options and minuting of conditions for discussion with future partners;
- Brainstorming of possible partners;
- Action planning and next steps with an agreed timeline.

Process

This workshop is the starting point to evaluate the organisation's motivations for considering a partnership. Where possible it is suggested that you consider employing an external, independent person to facilitate the workshop process.

To help get you underway you may like to undertake a SWOT analysis by considering the following questions and recording discussions in the SWOT template provided.

- What current strengths do we have as a potential partner?
- What current weaknesses do we have as a potential partner?
- What are our hopes, opportunities and expectations for a partnership?
- What are our threats, fears and concerns about a possible partnership?

SWOT Analysis

Additional questions to guide self-analysis

Deciding who?

In some cases there may be a clear possible partner and in others there may be numerous options. Either way it's critical to evaluate the compatibility of a potential partnership with a particular focus on ensuring there is clear alignment with both your organisational needs and strategic goals.

Undertaking a review of possible partners is the first step in this process.

Matrix for Partner Selection

Once you have assessed the fit it's also important to consider any external factors that may affect the success or otherwise of a partnership. This includes, but is not limited to, considering whether a favourable political and social climate exists. That is, are political leaders, opinion-makers, persons who control resources and the general public likely to be in favour of the proposed partnership?

This is particularly critical in the case of Church-based agencies who will need to ensure that the partnership fits with the broader ethos and considerations of the Church.

How to make the approach?

Once identified, the next stage of the process is to start a conversation with the potential partner or partners. Before jumping straight in it's important that you are aware of and consider the following:

- Determine who from your organisation is undertaking the approach ie. Board member, CEO, both;
- Determine who is the best person or people to approach, taking in to account existing relationships;
- Determine the best format ie. In most cases a face-to-face meeting is going to be the best way to broach a possible partnership;
- Ask that the conversations be kept confidential. It has been known for partnerships and collaborations to be over before they start as a result of rumours and inappropriate disclose of information;
- Be clear on what you're seeking at this stage ie. interested in opening up a conversation about working together;
- Be prepared for this to take time ie. initial conversation to plant the seed then follow up conversations if the other party is interested. Be mindful that your approach is likely to have come out of the blue for the other party or parties;
- Be wary of "dating" multiple partners at the same time without their knowledge.

Next Steps

If after initial conversations you are still looking at a possible partnership then proceed to Crafting a Partnership.

If for whatever reason you have determined not to proceed, either entirely or with a particular partner, it is critical that you formally close the conversation.

Closing the Conversation

Like all relationships creating a professional partnership takes time and commitment and sometimes, despite the best intentions of all parties, things just don't work. Its fine to cease conversations at any point and the following tips can be used to help you do this well:

- Ensure communication is clear. All parties should leave the table knowing why negotiations are not progressing.
- Be mindful of not burning bridges. It's likely that you will continue to interact with/work with either the entity or individuals from that entity on an ongoing basis.
- Acknowledge the time and effort contributed by all parties.
- Try to avoid viewing the work to-date as a waste of time or a failure. Instead try to identify any positives that may have been achieved.
- Ideally, develop a joint key statement that can be used to communicate with and update other stakeholders who may have been aware that conversations were taking place.

CRAFTING A PARTNERSHIP

Once it's been determined that there is mutual interest in pursuing a partnership, the next step is to establish a mechanism for undertaking the negotiations.

Establishing a partnership team

Developing a partnership can be an incredibly costly and time-consuming process and will involve a full range of activities from strategic considerations to detailed information gathering. Based on the experience of UnitingCare West we have found that the process of developing and implementing a significant partnership takes at least 18 months. For this reason it's highly recommended that you establish a partnership team or working group to lead this process.

The most critical part of this team is ensuring that you have the right people involved including representation from all relevant parties as well as the right mix of skills. Once you have this team together they then need to undertake the following key tasks:

- Establish a clear name for the partnership team and/or project being undertaken which is suitable for external use;
- Establish principles to guide the relationship including consideration of the consultation mechanisms to be utilised;
- Establish expectations around exploration (timeline, costs, challenges, amount of time needed from various parties);
- Ensure your team has access to strong NFP specific financial knowledge;
- Establish a conflict resolution process including a clearly defined exit process should it be required;
- Ensure all relevant people have signed a confidentiality agreement;
- Develop formalised terms of reference.

Consider a consultant

It may be considered beneficial to appoint an independent consultant as part of the partnership team who can help facilitate discussions, resolve problems and move the team towards win/win solutions.

Finding someone with experience in partnerships and collaborations can be difficult however UnitingCare West may be able to help identify candidates with the required skill set. To find out more contact: CEO@unitingcarewest.org.au or (08) 9355 9002

Building a positive partnership

This is the beginning of your future relationship and the outcome will be greatly influenced by the creation of a respectful and trusting partnership.

Some suggestions to ensure that you build trust and respect include:

- Key personnel ie. CEO and Chairperson attend each other's board meeting to provide information and respond to questions;
- Creating an opportunity for both boards and senior staff to come together socially;
- Discuss and agree up front on a system and process to manage the disclosure and recording of information about each organisation;
- Agree to a warts and all disclosure about organisational information and in particular about financial and other liabilities, if any;
- Aim for an inclusive, equal approach during discussions ie. rotating meeting sites;
- Be prepared to name and discuss the losses that can occur as part of a partnership including identity, staff and autonomy to name a few;
- Develop an agreed means of dealing with conflict or uncertainty;
- Develop clear agreement regarding timeframes for key decisions;
- Check regularly on the progress of the discussions against agreed plans.

Barriers to collaboration & partnership

Being aware of potential barriers that may affect the progression of discussions is also critical to working towards a successful partnership. Some of the common barriers faced include:

- Lack of shared objective;
- Time constraints;
- Cultural misalignment;
- Inflexibility and/or fear of change amongst decision makers;
- Dynamic challenges amongst central stakeholders including staff;
- Differing service standards and/or philosophies;
- Differences in relation to perceived value;
- Differences in perceptions of risk;
- Dishonesty and/or misrepresentation.

If barriers are identified the partnership team will need to give careful consideration as to how these can be addressed and/or managed.

In these cases finding a resolution will need to be done in a timely manner and may require some frank discussions. As previously mentioned the use of an independent consultant can be hugely beneficial in terms of helping to navigate roadblocks and issues.

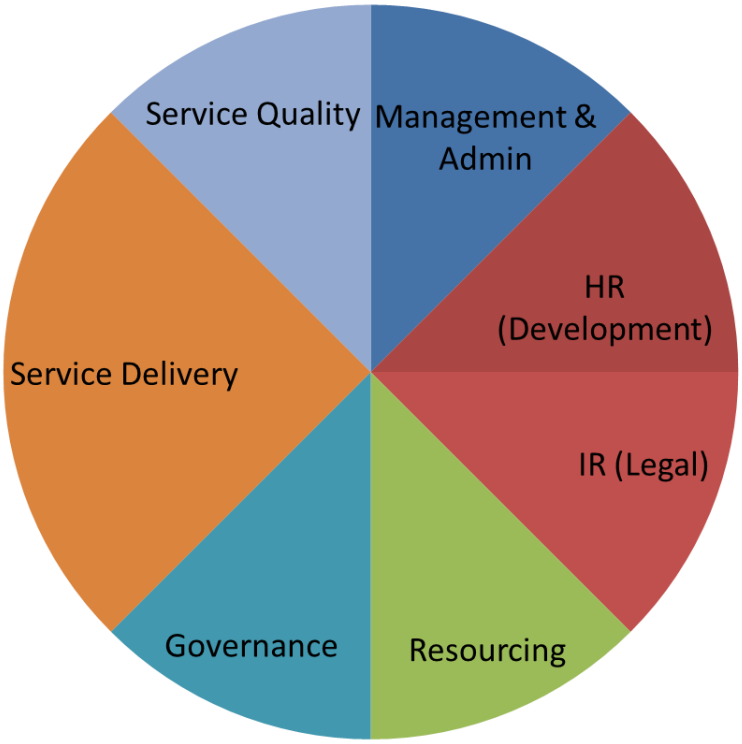
If however, despite the best efforts of the partnership team, an insurmountable barrier is identified it is essential that the process is handled carefully. By this stage you should have a clearly defined exit process to follow but you may also find it useful to refer back to Closing the Conversation.

Exploring Compatibility

By this point each of the parties has already undertaken their own review of the compatibility of the partnership however it's important that this is further explored by the partnership team as a whole.

A workshop or series of workshops is a good opportunity to bring all of the partnership team together to get to know each other's organisations, to present more detailed organisational profiles, to review strengths and to explore and understand any issues or potential losses that could occur.

As a basis for this workshop, and also for future due diligence work, it may be helpful to break the activities of an organisation into management areas as indicated in the chart below. This will help to ensure that you have the right people with the right skill set focusing on the most appropriate areas.



Part of the compatibility exploration will also involve having a closer look at possible partnership structures. As previously mentioned the ultimate decision will likely need to wait until due diligence is complete however it should now be possible to get a good idea of where the partnership structure is heading pending the confirmation of information that has been provided.

In addition, now is also the time to ensure that any partnership structures being considered fit within the governance parameters of each of the entities. This will require a review of any legal rules of each organisation including Constitutions.

Partnership Model Selection

Undertaking due diligence

Following compatibility exploration, if all parties decide to continue with negotiations, the next phase is to conduct a due diligence investigation.

Each party has the responsibility to undertake its own formal investigation of the other and at this stage is obliged to disclose risks and liabilities so that the negotiations can proceed without hidden liabilities or issues.

The scope of the due diligence process will vary depending upon the partnership structures being considered, the size of the organisations involved and the level of perceived risk. Regardless of the scope, now is the time to consider who is needed to undertake this process and you may find it necessary to bring in additional skills that haven't yet been required by the partnership team.

It's also worth noting that the due diligence documents form the administrative basis for future implementation and particularly the integration of business systems. As such it's critical that this process is well ordered and consideration is given to future use of the information.

Due Diligence Checklist

Deciding to proceed

Like with due diligence, making the choice to proceed is something that needs to be determined independently by each party. This will require a thorough assessment of the information collected during due diligence, with a particular focus on any risks that may have been identified.

It's also critical that the decision to proceed carefully considers the time and resources that will be needed moving forward. As a rule of thumb, based on the experiences of UnitingCare West, it typically takes a full financial year following any major partnership implementation to adequately work through all of the issues and detail involved. In addition, costs associated with a major partnership can be as high as 20% of the total revenue in play. These funds will be needed to cover:

- Specialist staff time;
- Changes to Information Technology (IT);
- Changes to administrative systems ie. fleet change over;
- Changes to brand and associated marketing materials;
- Backfilling partnership team members;
- Legal and accounting costs.

Additionally, the type and scope of partnership now needs to be jointly confirmed and the detail negotiated. It's worth noting that some partnerships do fall down at this stage as agreement about the detail of a partnership can be difficult to reach. This is particularly true in cases where the perception of strengths and weaknesses and/or risks differs between parties.

Assuming however that agreement is reached it's highly recommended that the process of drafting a formal agreement be commenced. This formal agreement should be guided by the scope and complexity of the proposed change and can take a range of forms including:

- A voluntary agreement, normally represented by a Memorandum of Understanding (MoU) and agreed to by Board members and senior staff;
- A fully enforceable agreement, dictated by governance requirements which may involve achieving sign off from Board/s and members.

Sample Memorandum of Understanding

Finally it's worth noting that in the case of Church-based agencies deciding to proceed with a formal partnership is likely to require approval from other legal bodies and external agencies including the relevant Synod.

Creating a roadmap

Now that all parties have decided to join forces it's necessary to create a roadmap to guide the partnership team through the complexity of implementing change.

For major partnerships involving legal and structural changes, including mergers, acquisitions and transition of services, the implementation process typically spans between 12 and 24 months. Given the length of time involved and the sheer volume of work to be undertaken a comprehensive planning process will be required.

A successful project plan during this stage of the process will need to address the following items:

- Establish expectations around implementation including consideration of the anticipated timeline, costs, challenges and amount of time needed from various parties;
- Identify key milestones that can be utilised as celebration points;
- Know and understand dependencies so that critical pathways are clearly identified;
- Document all key discussions and decisions and ensure that all actionable items are allocated to a specific member of the partnership team.

As a starting point all of the information gathered throughout the due diligence stage can be further leveraged by converting individual items into clear actions.

Converting due diligence into actions

Managing change

Even in cases where the proposed change is necessary, or where it creates a win-win solution, it is still imperative to manage this process carefully.

Creating a change management plan needs to be done before implementation commences and before any announcements are made. Inherent in a successful plan is a focus on identifying and engaging stakeholders, with a view to gaining their support of and commitment to the proposed change right from the start.

It is worth noting that a stakeholder should be considered as any individual, group or organisation that may affect, be affected or perceive itself to be affected by the proposed change. For a not-for-profit organisation this range of stakeholders will typically encompass the following groups:

Senior/Executive staff & board members	Key internal and external stakeholders including major funders and staff that will be directly impacted by the change	All staff, clients, volunteers, donors, partner organisations, funding bodies, suppliers

Given the complexity and range of stakeholders that are likely to be involved it is vital to implement a stakeholder mapping process.

Stakeholder Mapping

Communications & Branding

Once you have ascertained who your stakeholders are and how they are likely to be affected by the proposed change, the partnership team then needs to consider the best way of communicating with these groups.

Some of the key aspects include determining when to involve each set of stakeholders and developing agreed messaging. A lack of information will create anxiety and allow misinformation to develop which could undermine the later implementation process. On the other hand it is likely that the partnership will bring about changes that will affect stakeholders and so it can be unsettling to be open about this while plans and details are still being developed.

There are a number of communication strategies that can be used to help navigate this fine line including:

- Be as honest as possible and address the fears of staff upfront including fears around loss of jobs;
- Ensure stakeholders know that they will have the opportunity to be involved in the process ie. vision setting in the case of a merger;
- Provide a clear avenue for stakeholders to raise concerns or ask questions which may involve different mechanisms for different groups;
- It is virtually impossible to over-communicate so create a communication plan that involves touching base with people regularly.

Celebrating Success

Although part of the overall communications plan the importance of celebrating success has been specifically highlighted as it has the potential to add huge value to the partnership.

Identifying key milestones and planning positive communication and engagement strategies to celebrate their achievement is an ideal way to:

- Build confidence amongst stakeholders;
- Engage and encourage buy-in from stakeholders, and particularly those that are less familiar with or affected by the changes;
- Reinforce key positive messaging; and
- Create a feeling of excitement rather than fear.

IMPLEMENTATION

Detailed Project Management

By this stage the partnership team should have a high level, overarching project plan which details key responsibilities, timelines and major milestones. Given the scope of change associated with a formal partnership arrangement it is however likely that a whole range of mini project plans are required in each of the different areas.

A strong and effective implementation process will be driven by a strong readiness behind the scenes rather than building the change as it unfolds. This means knowing what needs to be looked at, changed and updated down to the minutiae including folder file names, names badges, signage, internal forms and more. It means knowing which staff members and volunteers are going to be affected, in what ways and how they are likely to respond. It means understanding the transition from one accounting system to another, closing bank accounts, updating debtor arrangements, clarifying expenditure delegations and the list goes on.

It's worth noting that being adequately prepared doesn't mean issues won't be encountered however it should keep the flow-on consequences to a minimum and help to ensure that the overall project goals are still achieved as expected.

Covering the full range of activities, at the level of detail needed, would require extensive documentation beyond the scope of this guide. Instead an example of an employee impact statement has been provided to illustrate the type of detailed project management and documentation that will need to occur.

Example of Employee Impact Statement

Renewing Business & Strategic Plans

Focusing on the detail of change can cause organisations involved in a partnership or collaboration to overlook the strategic level thinking that needs to be done.

It's very likely that the partnership will have resulted in new activities or increased scope in some capacity and this needs to be reflected in strategic and operational plans. This is particularly critical in the case of mergers, acquisitions and transition of services as stakeholder groups will need to buy-in to the updated strategic goals rather than holding on to what may have been.

Depending on the magnitude of change involved it may be useful to consider using a range of different mediums to build excitement and communicate how the partnership fits within the broader context of the organisation and its mission, vision and strategic plan. This can include communication materials such as video updates to key stakeholders through to events including open forums and morning teas.

Information Management

While implementing the partnership is the focus, it's critical to ensure that documenting the work involved is considered of equal importance. Good quality documentation will not only help with the implementation itself but will also ensure that the work undertaken can be easily referenced into the future.

In order to ensure that the documentation is clear and easily accessible to all members of the partnership team and beyond it can be helpful to agree on a set of information management protocols. These protocols could include, but are by no means limited to, consideration of the following:

- File naming rules ie. how to include dates, use of capital letters;
- Version control – with numerous people potentially working on the same documents this is particularly critical;
- Storage – where will documents be stored ie. Does everyone have access to some sort of shared storage drive?
- Originals – with the partnership potentially involving hundreds of legal agreements, signed minutes and other important documentation it will need to be determined where and how the original versions of these documents are stored;
- Recording key decisions including minutes from meetings to ensure there is enough information to use as a reference.

Policies and Procedures

As a part of a major partnership such as a merger or acquisition much consideration is often given to external communications materials including websites, brochures and the like. It can however be easy to overlook internal documents.

In particular it is likely that many of the organisation's policies and procedures will need to be updated to reflect the changes being implemented. This can be an extensive and time-consuming process that, when done well, will help to embed the partnership and garner support from staff. When done poorly, or overlooked entirely, this can have a significant negative impact on acceptance from staff as it will likely lead to disruption and confusion as past practices clash with current expectations.

Dynamic Implementation

The final key to successful implementation is understanding the need for and building processes that view all of the project plans as living documents that can and should change. As the partnership is implemented it is recommended that the partnership team continue to meet regularly and update plans as required. This includes updating key actions and tasks as the needs may change as well as re-visiting other key pieces of work including stakeholder mapping to ensure that plans are keeping pace with the reality of how the partnership is unfolding.

REFLECTION & EVALUATION

While it can be easy to assume that all of the hard work is now done, reflecting on and evaluating the partnership and/or collaboration is an important part of the process.

Following the initial merge to create UnitingCare West in 2006, the organisation has since gone on to lead and be involved in a significant number of formal partnerships and collaborations. The learnings from engaging in reflection and evaluation have helped to guide these future partnerships, saving both time and money. Similarly these learnings have also helped the organisation to choose not to pursue a number of partnerships during the very early stages due to the identification of barriers.

Closing Analysis

Closing analysis aims to address a number of key measures and importantly highlight actions or areas that could be improved in future.

Accordingly, while the analysis will vary depending on the nature of the collaboration undertaken, some of the central questions to be reviewed include:

- Was the collaboration a worthwhile investment of time and resources? In order to answer this question effectively it is useful to determine the cost vs. benefits, including both the tangible and in-tangible benefits achieved;
- Have the initial goals been achieved? At the heart of this question is a consideration of whether the initial drivers for change remained relevant throughout the process or whether these adapted over time which is particularly valuable for informing possible future partnerships;
- What were the areas that needed more attention if you were to do it again?
- While assessing the success or otherwise of the end point is important it's also just as relevant to consider the process of getting there. There are a range of measures that can be utilised to assess the process of change including:
    - Number or percentage of stakeholders retained throughout the change eg. Staff, volunteers, funders;
    - Stakeholder surveys seeking feedback on key elements eg. understanding of the need for change, satisfaction with the level of communication and engagement;

Honouring History

Finally, in cases where an organisation or organisations have undergone significant change as a result of a partnership it's important to acknowledge this. This will typically be the case following an acquisition, merger or transition of service and will likely have affected numerous stakeholder groups and individuals.

As a way of honouring the people and services involved a partnership team may consider a range of activities and events including:

- Farewell event/s for services and/or people;
- Story of the change documented via photo books, physical displays or other similar communication materials;
- Incorporated as part of the organisation's history and story in marketing materials such as websites and brochures eg. The UnitingCare West website includes a page detailing the history of mergers and acquisitions that have grown together to create the current-day entity - http://www.unitingcarewest.org.au/about-us/our-history-and-network/
- Development of an Employee Assistance Program to ensure that all staff have access to counselling and support.

CLOSING MESSAGE

With increasing pressure on not-for-profit agencies, both large and small, to consider possible partnerships we hope that this guide will help to navigate the process of decision-making, selection, negotiation and where relevant implementation.

Having led and been involved in numerous significant partnerships including mergers, acquisitions and transition of services, UnitingCare West is only too familiar with the sheer time, energy, people and fiscal resources that are needed.

To help reduce these pressures a key part of this guide is the inclusion of templates and other practical tools that can be used by organisations engaging in a formal partnership or collaboration. Accordingly we welcome the use of both the guide itself as well as the practical resources but ask that you do so with the express acknowledgement of UnitingCare West.

In addition, we would like to acknowledge that support to undertake this work was generously provided by Lotterywest and much of the content has been adapted and updated from the Merger Resource Kit which was developed by the Community Services Unit from the Synod of Victoria and so also acknowledge their contribution.

While every effort has been taken to ensure that information presented is accurate UnitingCare West has made this available as a general guide only and it's recommended that you seek advice specific to your organisation's needs. As an organisation with significant experience in navigating and implementing partnerships this is something that our team can help with.

Finally we would like to wish you well on your own partnership journey and would love to hear any feedback regarding this guide.

Sue Ash
UnitingCare West Chief Executive Officer
November 2016

PRACTICAL TOOL KIT

Profile & Positioning Analysis

To help support conversations around the possibility of a partnership it's critical that all key staff and board members have a strong and consistent understanding of the other party.

Vision	
Mission	
Values & philosophical underpinnings	
History of organisation	
History/ existing relationship with organisation	
Key personnel	
Demographic information about organisation: • Office site location/s	
Key services offered: • Type • Number of clients	
Fundraising and donors	
Perceived motivations for partnership	
Areas of concern	

SWOT analysis

Strengths	Weaknesses
Opportunities	**Threats**

Questions to Guide Self-Analysis

- How will a partnership enhance our organisation to continue to carry out its mission?
- Are our governance structures including Constitution compatible with partnerships?
- Are there governance related factors that determine who we can partner with?
- Has the decision to partner in some form already been made?
- What services do we offer that we believe are important to our community and why are these important?
- What services are not currently offered but would complement our existing work?
- What do we do well?
- What areas do we need to improve?
- What constrains us from making improvements in these areas?
- Is there a beneficial critical mass that could be achieved through partnership?
- Do we have a financial crisis now or possibly in the future?
- Do we currently compete with other organisations for both clients and funding?
- Is the board struggling with the current demands being placed on them?
- Are there opportunities for growth and diversification through a partnership?
- Are there other options beside a partnership?
- What are the potential risks associated with a partnership?
- Do the possible benefits outweigh these identified risks?
- Who are our key stakeholders?
- How do we maintain our various stakeholders' interests?
- How can the current staff's interests be maintained?

Uniting Care West

Matrix for Partner Selection

		Partner 1		Partner 2		Partner 3	
Criteria	Rank	Fit	Total	Fit	Total	Fit	Total
	GRAND TOTAL						

Instructions

1. Identifying and ranking criteria:
   - From your self-analysis process identify the key drivers that are pushing you towards a partnership and list these under the "Criteria" column.
   - Similarly, also include any non-negotiable items that have been identified (if any).
   - In the "Rank" column indicate the level of importance with 1=low and 5=high.

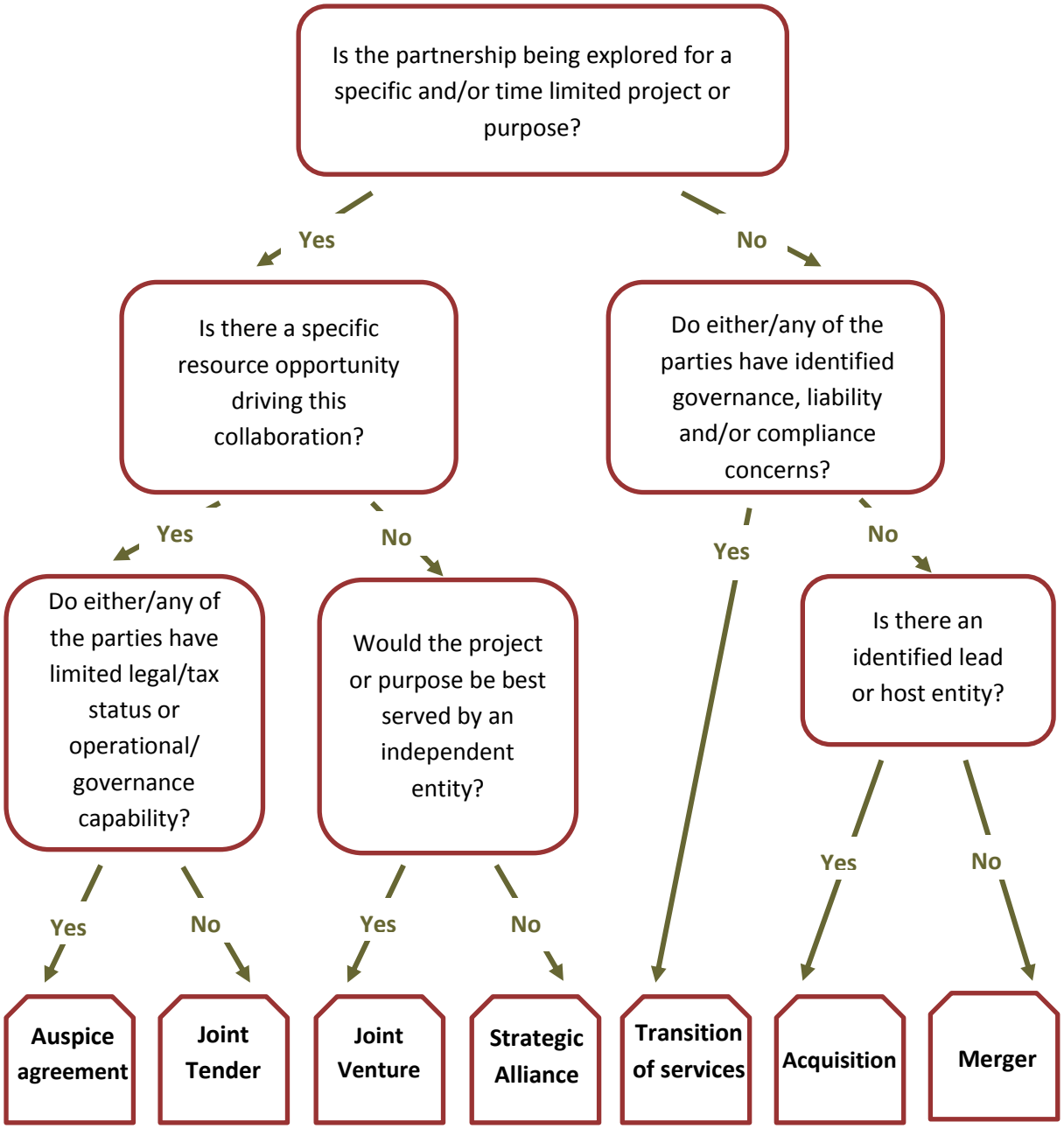
2. Strategic Fit:
   - For each prospective partner consider how well each of the criterion fits and/or is supported by a possible partnership. Based on this assessment put a score under the "Fit" column with 1=low and 10=high.

3. Converting to a final score:
   - Firstly, add the two scores from the "Rank" and "Fit" column and record in the "Total" column for each prospective partner.
   - Finally, add the "Total" column for each prospective partner together to give you a Grand Total. The prospective partner with the highest score provides the best alignment with your organisational goals and/or needs.

Source: Lendrum, T., The Strategic Partnering Handbook, McGraw-Hill, Melbourne, 1998. pp 142 as cited by Merger Resource Kit: Steps for Successful Mergers, Uniting Church in Australia, Synod of Victoria, 1999.

Partnership Model Flowchart

This flowchart is not designed to be prescriptive but instead can be used to highlight the key factors that need to be considered when choosing the most suitable partnership structure.



Due Diligence Checklist

Organisation Structure	Document the organisational structures as they relate to legal entities including incorporated bodies, trusts with reference to the method and date of establishment. Provide an organisational structure showing all programs and services. Provide an organisational structure showing all geographical information including delivery sites and also coverage and/or jurisdictions.
Statutory Records	For each legal entity provide a copy of the relevant key statutory documents including: - Certificate of Incorporation/ Registration; - Current Constitution or rules; - Register of members; - Register of Board or Committee members; - Minutes from at least the last 12 months of Board or Committee meetings; - Contact details for public officer; - Annual reports for the last 5 years; - Audited annual financial reports for the last 5 years.
Tangible Assets	Create a list of all assets owned, used by or in possession or control of the entity including: - Land, buildings and other infrastructure; - Other plant and equipment; - Consumables; - Vehicles. Once assets have been identified they will need to be assessed with consideration to: - Encumbrances including any special terms of use or ownership; - Availability of appropriate legal documentation including proof of ownership or right to use.
Intellectual Property	Create a list of all intellectual property owned, used or in possession of the entity including: - Registered trademarks; - Company and domain names; - Patents; - Software; - Technical drawings and/or other design specifications; - Operating manuals; - Models. As part of the creation of this list it will also be important to source and record all relevant documents including titles, user agreements and licenses.

Contracts and Agreements	Are there any material contracts or agreements including: - Funding agreements; - Partnership agreements or MoU's; - Supplier contracts; - Other contracts with an outstanding term greater than 12 months. Once these contracts and agreements have all been identified they will need to be assessed with consideration to: - Any onerous or unusual terms; - Whether the proposed partnership would cause a breach; - Conditions or terms associated with termination.
Banking and Finance	List all financing arrangements utilised by the organisation including: - Details of all bank accounts; - Details of any invested funds; - Bill facilities; - Trade credit arrangements; - Deferred payment arrangements; - Leaseback arrangements; - Funding agreements and/or service agreements; - Day to day purchasing arrangements ie. Are credit cards in use? If so, who holds them? As part of compiling these details it is critical to take note of any unusual practices and ensure you have adequate documentation for items that are specifically named as part of the audited financial reports.
Litigation	Identify and compile details of all actual, pending or threatened litigation claims and if available document the potential exposure of each claim.
Environmental Issues	Have any hazards been identified/ listed eg. Asbestos?
Major Material Expenditure	Identify any anticipated material expenditure including notes regarding: - Who will be paying/where is the money budgeted? - Is there a commitment to proceed? - The subject of the expense.
Insurances	Identify all available insurances including relevant documentation such as product disclosure information and specific details of cover. Once compiled it is critical to review insurance cover in its totality to identify any exposures that may exist as well as documenting any pending claims or disputes.
Reports	Identify and compile any external reports which may be relevant to the current or future operations of the entity including service evaluations and work undertaken by independent consultants.
Employment &	Identify and compile a list of all employees and the associated employee

Superannuation	entitlements including: - Total number of staff; - Location of staff; - Any employee benefit schemes ie. fringe benefits; - Details of the current liability in terms of annual leave, long service leave, sick leave, worker's compensation and any other outstanding entitlements; - Details and copies of relevant documentation including employment contracts and application forms; - Details and copies of any relevant awards or employee agreements; - Details regarding staff training arrangements; - Details regarding superannuation including evidence of up-to-date payments. Once all staff have been identified it will also be necessary to document any known implications for staff, including transfers or redundancies, and as far as possible the anticipated costs of these changes.
Information Technology	Identify and document the main information technology systems in use including computer operating systems, commonly-used software, and phone systems and hardware.
Policies and Manuals	Compile a list of all policies and/or manuals that are in use and document critical areas including any that differ considerably from your own policies and practices.

Sample Memorandum of Understanding

This sample Memorandum of Understanding (MoU) is provided for illustrative purposes only. An MoU will need to be tailored to meet the specific needs of a proposed partnership.

In addition please be aware that an MoU is not necessarily legally binding and is instead ordinarily used to document a relationship of goodwill. Independent legal advice would be needed to determine whether an MoU is suitable for your purposes or whether you would be better served by an enforceable contract or agreement.

Parties

The parties to this memorandum are A and B.

Purpose

This Memorandum finalises the merger/partnership/joint venture and determines all matters outstanding.

Assets and Liabilities

The attached document (Schedule A) sets out the assets and liabilities known at the time of signing and will pass from A to B as part of this partnership arrangement.

Governance

The Board of A will cease as of the x day of Month, Year with legal responsibility transferring to B.

Date of Effect

This document establishes that the partnership will formally come into effect on x day of Month, Year.

Staff Matters

There will be continuity of employment for staff of both agencies during and after the partnership and their entitlements will continue as set out in each person's original terms of engagement. Such rights include sick leave, long service leave, salary packaging and other award conditions presently enjoyed.

Administrative and Resource Issues

The functional responsibilities for all administration including: accounting; personnel; property; records management; industrial relations and information technology will become the responsibility of B from the date of effect.

Dated x Day of Month, Year

Signed for and on behalf of A	Signed for and on behalf of B
Chairperson A	Chairperson B

Converting Due Diligence into Action

	Immediate Concerns/ Items to be Addressed	Partnership Actions	Who Responsible?	Due?
Organisation Structure	Eg. Confirm boundaries for South West region – query: staff travelling 50kms per day?	1. Create transition plan for Orange Office staff to move to Blue Office	HR Manager	30 Sept
Statutory Records				
Tangible Assets				
Intellectual Property				
Contracts and Agreements				
Trust Assets				
Banking and Finance				
Litigation				
Environmental Issues				
Major Material Expenditure				
Insurances				
Reports				
Agreements				
Employment & Superannuation				
Information Technology				
Policies and Manuals				

Stakeholder Mapping

Introduction

The Three-Step approach to stakeholder management is a dynamic process which has been developed by the Project Management Institute.

While there are many different ways of undertaking stakeholder mapping this three-step approach is particularly useful for managing change that is going to affect numerous stakeholder groups and over a significant length of time as is likely to be the case with a merger, acquisition or transition of services. The three key steps are:

- Build the Stakeholder Map - Maintain it over the lifetime of the project;
- Prioritise Key Stakeholders - Frequently revisit assumptions about their levels of commitment and influence;
- Develop Key Stakeholders - Build their commitment to the change.

As part of engaging and supporting stakeholders there are four principles that should govern the partnership team's work, namely:

1. Recipient-focused: Partnership teams need to understand how the people who have to change the most can be influenced and engaged. So they should start by identifying the recipients of change and not the senior sponsors. In other words, they should start from the bottom and work up. This allows the partnership team to put themselves in the shoes of the recipients.

2. Living document: Stakeholder mapping is not a one-off exercise. Project teams will need to revisit it as the project progresses. Triggers to update the stakeholder map and stakeholder management plan should include changes in project direction, unexpected difficulties emerging during the change, or when key players in the project are changing.

3. Engaging process: Project teams use it as way to engage the project team, steering group or sponsors. They may need to work with different people at various phases of the project. They should invite people to participate.

4. Use sensitivity: Project teams need to use professional judgment in sharing the information they generate. They should not leave information lying around or pinned on a wall. What makes perfect sense to someone at a workshop may not make sense to a passer-by who sees his or her name or team's name written down. The trick is to balance being over-sensitive about confidentiality with the need to engage with people. Only showing people information on certain portions of the organization can help maintain confidentiality.

Step 1: Build the stakeholder map

Stakeholder mapping should be a dynamic process that enables organisations to graphically represent all the stakeholders, the political environment in which the project operates and the relationships between stakeholders.

Some of the key characteristics of effective mapping are:

- Drawing the political rather than the organizational structure. This forces recognition of the unofficial relationships, which are critical to implementation and exposes gaps in commitment or influence.
- Working back from those who must change the most, to those who have authority to make change happen. In other words, start with the most junior recipient and work back up the organisation.
- Identifying stakeholder pressure points in a project, such as shortfalls in commitment, inadequate influence, lack of institutional power and poor communication.
- Providing an opportunity for multiple views and opinions within the project to be understood and evaluated.
- Predicting how potential recommendations would affect stakeholders and being very clear about who would be involved in implementing the project.
- Updating the map as the project develops and evolves. It is a living process and not a once-and-done activity at the start of a project.
- Engaging a wide set of project members and stakeholders to work together to map the true network of change.

Building the stakeholder map is an interactive activity, typically in a workshop setting and best facilitated by someone with strong experience in mapping. One tactic that is strongly recommended is to draw the map on a large white board or flip-chart. Avoid using Post-it® notes or software packages. The use of these technologies tends to encourage participants to create very neat pictures of the organisation, which don't represent reality, but look more like the organisational chart.

Analysing a stakeholder map

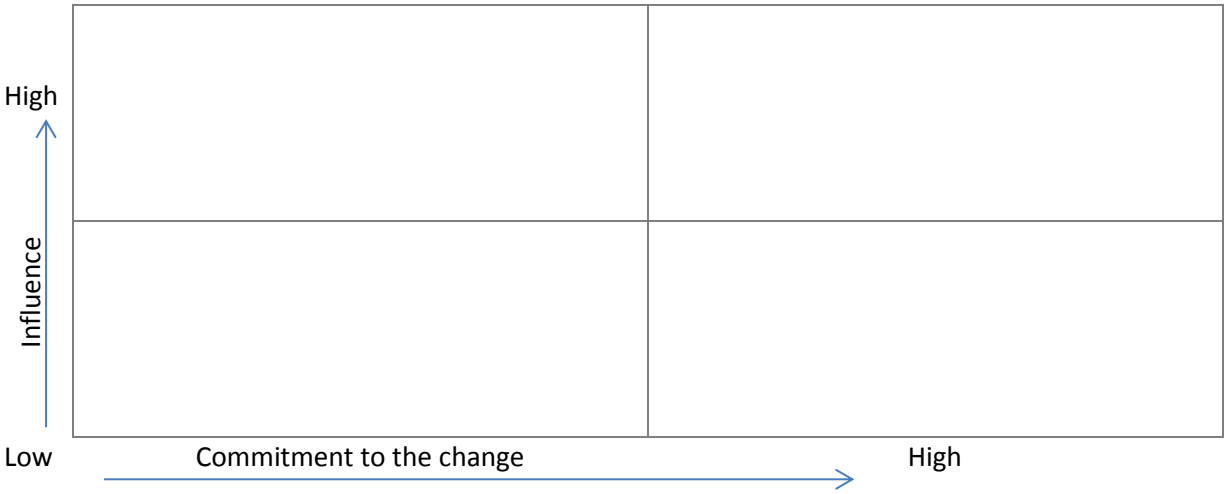
Once the map is drawn, the following is a sample of the questions that the partnership team should be working through with the people attending a stakeholder mapping session:

- Who are the critical players from the network? For example, people can be critical if they control critical resources or if they are a core group of stakeholders who have a dominant influence on people's decision making.
- Where are the key pressure points or gaps for this stage of the project? For example, parts of the organisation where there is no champion to support and lead the change.
- What are the key relationships within the network? For example, between certain groups of stakeholders. Note: Partnership teams should be developing specific plans that aim to develop and maintain relationships rather than leave them to chance.
- How will the engagement and communication be carried out?

Step 2: Prioritise key stakeholders

Partnership teams need to ensure that each stakeholder or stakeholder group are clearly identified, assigned a role and have a personal, specific plan regarding the proposed change. When undertaking change, it is important to understand how much power key political stakeholders have to either

facilitate or hinder the change. Once the partnership team understands the power each stakeholder has, the next step is to understand their predisposition to the project. To achieve this, partnership teams can use an influence/commitment matrix to identify key stakeholders and prioritise them for specific action planning. Using "commitment to the change" as the x-axis and "influence" as the y-axis, this chart can be used to facilitate discussion on how to manage important stakeholders.



Quadrant	**Description**
Low Influence/ Low Commitment	People in this quadrant basically need monitoring. They have little power to influence events. The danger is if the partnership team has misjudged their influence and they might be more resistant than one might think. People in this quadrant could begin to influence stakeholders with more power by, for example, drip-feeding them with negative information.
Low Influence/ High Commitment	Partnership teams want to encourage these people to stay supportive without expending too much energy. It is very easy to spend too much time with these people because they support the project; yet they have little power to move it along. Try and keep them informed and feed them with any "early win" good news about the project.
High Influence/ Low Commitment	These people need focused attention by the team. Partnership teams need very specific plans for these people. The intent should be to convert them to having more commitment to the change. There is a need to look at a range of tactics. These are the individuals that partnership teams want to involve in the planning process so that they have input to—and then hopefully ownership of—the project deliverable.
High Influence/ High Commitment	People in this quadrant are, of course, extremely valuable to the project. Partnership teams need to harness their support and do everything they can to make that support visible to other people. They should pay constant attention to make sure their commitment is maintained. It is very easy for people in this quadrant to get side-tracked by other issues or to believe that they have done enough to implement and sustain the change.

Step 3: Develop key stakeholders

It is important to not only identify key stakeholders, but also to develop plans to ensure that the change implementation is as successful as possible.

An effective plan identifies steps that will be taken to help the stakeholder or stakeholder group both commit to the project and to support it in particular ways. It is good practice to always treat every stakeholder as a recipient first. Assuming a certain level of commitment from a stakeholder is very risky and often makes assumptions that are far too positive. Instead try to ensure that the partnership team is clear about key barriers for the proposed change.

These plans can be shared with the relevant stakeholders, but political judgment is required. They are more often used by partnership teams as a way of articulating the steps to building commitment and then supporting it in particular ways.

As the partnership team develops these plans it is useful to be aware of some of the strategies that can be used to build stakeholder commitment including:

- Engage: The best way to engage stakeholders is through participation. If stakeholders feel part of the decision-making processes, their commitment to the change will quickly grow.
- Persuade: If engaging doesn't work or isn't possible, the next method is to try to influence the stakeholder regarding the merits, benefits and requirements of the change.
- Reward: If the previous two methods don't work well, the next option is reward. This means giving the stakeholder an incentive—financial or otherwise—to commit to the change.
- Isolate: If the above tactics fail, it may be necessary to work around those stakeholders who are working against the change. This may mean reassigning the stakeholder to another position or removing responsibilities and authority for the business outcomes affected by the change. This is however a last resort and will need to be carefully considered by the partnership team.

Source: Project Management Institute, 2015 - http://www.pmi.org/~/media/PDF/learning/engaging-stakeholders-project-success.ashx

Example of Employee Impact Statement

Source: The following model was developed by MacKillop Family Services as a human resource management tool to manage employment impacts during the transition period of a merger and has been taken from the Merger Resource Kit: Steps for Successful Mergers, Uniting Church in Australia, Synod of Victoria, 1999.

Happy Valley Family Services Employee Impact Statement

1. Introduction

1.1. The purpose of the Employee Impact statement is to advise management and staff of the merged agencies and unions of the structure of the new organisations from the 1st January 2000 and the implications for each employee.

1.2. All information regarding current positions and structure has been supplied by the management of the merging agencies and is assumed to be accurate as of 30th September 1999.

1.3. At the time of issue, several agencies are in discussion with funding bodies regarding program re-development and expansion. The outcomes of these discussions are not forecast in this document and, to this extent only, the structure implemented on the 1st January 2000 may be different to the model outlined below.

1.4. The document has five main sections:

a) The principles underpinning the Employee Impact Statement;
b) The process of appointing personnel positions;
c) An overview of organisational structure;
d) A list of current permanent and contract employees by the agency;
e) A list of all permanent and contract positions in the new Happy Valley Family Services by the personnel matched to the position or the process of filling the position.

1.5. As established above, the document covers permanent and contract employees only. Casual staff and volunteers are not included. Happy Valley Family Services greatly values the contribution, and in many cases, the long standing commitment of its casual staff and volunteers, and looks forward to strengthening our support of these workers in the year ahead. It is anticipated that the work of casual staff and volunteers will continue in a similar vein after the 1st January 2000.

2. Happy valley Family Services – Overview

2.1. Happy valley Family Services is to be established from the merge of Agency A and Agency B.

2.2. On the 30th September 1999, the merging agencies had 150 permanent and contract positions, including 4 vacant positions. This document establishes that from the 1st January 2000, the new Happy Valley Family Services will have an initial staff establishment of 140 positions.

3. Principles Underpinning the Employee Impact Statement

The following principles and assumptions form the basis of the Employee Impact Statement:

3.1. Subject to 1.3 above, the new organisational structure outlined in Attachment B will apply on the formation of Happy Valley Family Services as of 1st January 2000.

3.2. The structure and positions identified in this document are subject to anticipated funding sources maintaining their current level of funding into the 2000/2001 financial year. (See 1.3 above).

3.3. The new positions of the CEO, Business Manager and Manager of Human Resources have been filled.

3.4. The two new Regional Director positions have been advertised and the positions of Development & Marketing and Manager of Research & Policy, may be advertised externally at the discretion of the Director. All positions currently vacant or newly created may also be advertised externally.

3.5. All Program Manager level positions will be spilled and advertised internally. Where, at a particular site, there are more staff with comparable skills and training than positions of a common classification, these positions will be advertised internally across the merged agencies.

3.6. All positions will either be matched to existing employees or advertised internally across the merged agencies.

3.7. Unchanged or slightly modified positions will be retained (ie. matched) by the current occupants.

3.8. Redundancy refers to the discontinuation of positions rather than personnel. All those staff whose positions have been made redundant are encouraged to apply for other related positions advertised internally.

3.9. Subject to the approval of the CEO, further external advertising will take place only when the manager responsible is satisfied, after internal advertising, that personnel of the existing agencies do not possess suitable skills or experience necessary to complete the task.

3.10. Staff who are unsuccessful in obtaining an ongoing position will be provided with career counselling and support.

3.11. All staff unsuccessful in obtaining a position will receive three months' notice of their termination.

3.12. Staff whose positions have been made redundant and who accept another position within the new agency are not eligible for redundancy payments or a lump sum payout of leave entitlements.

3.13. On the 1st January 2000, all staff continuing with Happy Valley Family Services will have their full award or contract leave entitlements (ie. annual leave, long service leave, sick leave and deferred RDO's) transferred to the new organisation.

3.14. The matching or appointment of personnel to positions in the new organisation may be the subject on appeal only on the basis that the stated principles and process have not been followed. (See section 5 below).

3.15. All time-in-lieu due to employees of each merged agency is to be fully taken by the 31st December 1999.

3.16. All continuing employees will receive a letter of appointment from happy valley Family Services in early December 1999 confirming transfer of their employment, the conditions and terms of that employment, and the extent of their carry forward leave entitlements as of 31st December 1999.

3.17. Staff engaged in new contract positions will be provided with advice by senior management or, on request, given access to independent legal counsel to clarify the terms of their contract.

3.18. New job descriptions will be developed for all positions by 31st December 1999.

4. Process Following the Release of the Employee Impact Statement

4.1. The Employee Impact Statement is being released to staff of the merged agencies and relevant unions at the same time (30th September 1999). In the following week, the Chairperson of the Board of Directors and the CEO will meet with staff at each of the agencies regarding the organisational structure and issues arising from the Employee Impact Statement. A meeting with the relevant unions will be held the week commencing the 14th October 1999.

4.2. Following these meetings, the implementation plan includes:

Timeline	*Action*
Mid October	- Business Manager commences duty
Late October	- Regional Directors will be announced - Program Manager positions and the position of Manager, Development & Marketing will be advertised - Central and local administrative positions remaining vacant will also be advertised
Mid November	- Manager, Human Resources commences duty - Regional Directors commence duty - Interviews for Program Manager positions - Central and local administrative appointments announced
Late November	- Program Manager positions announced - All other vacant positions advertised internally - Any remaining vacancies at Program Manager level to be advertised externally

Mid November	-	All remaining appointments to be effected
Early December	-	All staff receive letters of appointment
1st January 2000	-	Merger and transfer of appointments effected

5. Appeals

5.1. Any grievance relating to the matching or non-matching of an existing employee to ongoing positions needs to be lodged in writing to the CEO of Happy Valley Family Services by 5pm, on the 5th October 1999. A courtesy copy should also be sent to the Regional Director/CEO of the existing agency.

5.2. Appeals will be heard by the CEO only on the basis that it is alleged the above process and/or principles have been breached.

5.3. However, most unions prefer the appointment of an agreed external arbiter to hear further appeals is worthy of consideration.

6. Organisational Structure & Positions

6.1. Current positions in each existing agency are listed as Attachment A.

6.2. The organisational structure of Happy Valley Family Services is Attachment B.

6.3. Positions in the new structure are listed as Attachment C.

7. Definition of Positions and Codes

7.1. The following definitions apply to positions listed in Attachments A and B:

M	Matched	Where an employee is deemed to be in an ongoing position which is not substantially altered by the merger
S	Spilled	All spilled positions will be advertised internally across the merged agencies. This includes Program Manager positions and circumstances where there are more staff at a particular site with comparable skills and training than positions.
CC	Contract Concludes	A time limited appointment to the 31st December 1999, not renewed or matched to another position
R	Redundant	Where an existing position is not going beyond the 1st January 2000
AI	Advertised Internally	Where appointment to a position is preceded by internal advertising across the merged agencies
AE	Advertised Externally	Where a vacant position will be advertised externally – internal applicants are welcome

7.2. Examples are as follows:

Current Positions by Existing Agency						
Current	Title	Classification	EFT	Occupant	Change	New

Position Number					(if any)	Position Number
M1	Director	Award	1.0	Bill Green	R	n/a
B. 101	Residential Worker	Award	1.0	Sue White	M	B-XX

Positions with Happy Valley Family Services						
New Position Number	Title	Classification	EFT	Occupant	Location	Current Position Number
1.1	CEO	Contract	1.0	AE (New)	Central	n/a
1.2	Regional Director	Contract	1.0	AE (New)	Central	n/a
1.3	Social Worker	SACS C1 3	1.0	AI	Lalor	n/a

8. Further Information

The Chairperson of the Board and CEO will be visiting each agency in the week commencing the 5th October 1999, to meet with staff to answer any queries about the Employee Impact Statement and relates issues.

Prior to these meetings, further queries should be addressed, in the first instance to the Director/CEO of your agency. If the matter cannot be resolved at that level, your Director/CEO will refer it promptly onto Ms Sally Smith, CEO of Happy Valley Family Services.

For questions, further information or to speak to someone about accessing support for a partnership or collaboration please contact UnitingCare West at ceo@unitingcarewest.org.au or (08) 9355 9002