

# From Instability to Sustainability: A Nonprofit Merger Success Story

Health & Human Services



## The Client

The client is a nonprofit organization providing family support services for children undergoing medical treatment.

## Background

Amidst increasing nonprofit consolidation, the client engaged Curtis Strategy to navigate significant financial and operational challenges. A previously completed organizational assessment had already established a key long-range recommendation: for the organization to identify and partner with a larger Chapter to ensure its sustainability and achieve vital economies of scale.

## Challenge

Our client faced a combination of critical challenges that threatened its operational viability and long-term mission fulfillment. The most immediate was profound financial instability, creating an urgent need to address its cash position to maintain essential services and meet ongoing expenses. While swift restructuring and cost-cutting measures provided temporary relief, these were recognized as insufficient for enduring sustainability.

The fundamental challenge lay in establishing a new operational and financial model that could ensure lasting stability and support growth in an environment marked by rising costs, the necessity for technological investment, and increased competition for resources. Compounding this was the crucial task of identifying a strategic partner that not only possessed financial strength and operational capacity but also shared our client's core values and cultural ethos, ensuring a truly synergistic and beneficial consolidation.

## SOLUTION

Curtis Strategy architected and facilitated a two-pronged solution in close collaboration with the client's leadership. The first priority was immediate financial stabilization, achieved through targeted cost-cutting and organizational restructuring. This was essential to maintain program delivery in the short term and position our client as a more viable partner for consolidation.

The cornerstone of the long-term strategy was the full merger with the identified partner Chapter. This transformative consolidation was designed to create a significantly stronger, more resilient combined entity with leveraged economies of scale, an expanded resource base, and enhanced service capacity for its communities. The structured merger process progressed through key collaborative stages, including the finalization of a Letter of Intent (LOI), the formation of a Joint Steering Committee for due diligence and negotiation, and the subsequent drafting and ratification of definitive legal agreements, of which were aimed at ensuring not just survival, but a revitalized capacity to deliver on its mission with renewed strength.