



# NCOSS 'WHAT WORKS'

## CONSOLIDATION OF BLIND CITIZENS NSW AND BLIND CITIZENS AUSTRALIA

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Four (4) strategies that worked for BCA NSW and BCA Australia when they achieved a successful consolidation in 2017.

### Stories of Change and Good Practice

This document is part of a suite of resources developed by NCOSS under its Skilled to Thrive capacity-building project.

December 2019

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# Background

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Blind Citizens Australia (est. 1975) and Blind Citizens NSW (est. 1910) has had a long and proud history of collaborating. Their close relationship was a result of shared vision and membership, as they advocated for blind or vision-impaired people. Despite the close relationship, they had always remained two separate and independently proud entities.

In February 2017, the two organisations decided “to consolidate the two organisations into one”.

A Memorandum of Understanding (MOU) laid the groundwork; and in early 2018, the consolidation was deemed complete.

So what did Blind Citizens Australia (the new name after consolidation) do right, where so many have struggled?

A few fairly recent studies on the subject of mergers and acquisitions give us some insights.



# 01

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## Purpose:

### Be guided by your mission. All. The. Time.

#### WHAT STUDIES RECOMMEND



"In the end, it's about the mission. The mission must be absolutely central to any discussions about mergers. Ask yourself: what was your group set up to achieve? Will merging with another organisation get you closer to that goal?"

- **Thinking Big: To merge or not to merge – that is the question,**  
Our Community, Moores, Commonwealth Bank (May 2015), p10.

"Be consistently guided by the social mission, and at different intervals of the Merger & Acquisition process, evaluate whether policy and processes are aligned with the mission statement."

- **Mergers, Amalgamations & Acquisitions in the Australian Not-for-Profit Human Services Sector,** RMIT University and CPA Australia (March 2018), p7.



## WHAT BCA & BC NSW DID



01

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Blind Citizens NSW (BC NSW) and BCA's objective for consolidation was clearly stated at the onset, in their January 2017 Memorandum of Understanding (3):

***To facilitate a united and more effective approach to the representation of people who are blind or vision-impaired throughout Australia.***

The consolidation was deemed to have a range of benefits, including:

- enabling cooperative leadership and management of strategic growth issues in NSW and ACT;
- encouraging productive, effective and collaborative approaches to developing services; and recognising the mutual interdependencies in service delivery, capacity development and resource management.

Having the mission and the people that they serve as front and centre of the consolidation process has clearly given BC NSW & BCA a sharp and clear focus.



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# 02

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**People:**

## Clarify expectations with key stakeholders.



### WHAT STUDIES RECOMMEND

"Clarify your expectations in writing, in a binding or non-binding Memorandum of Understanding, updated at every milestone stage in the discussions. Cover confidentiality, communication channels, dispute resolution and protocols for making announcements...Build in some opportunities for bailing out along the way (e.g. if the due diligence process identifies some show-stoppers)."

- ***Mergers, Amalgamations & Acquisitions in the Australian Not-for-Profit Human Services Sector***, RMIT University and CPA Australia (March 2018), p19.

## WHAT BCA & BC NSW DID



02

BCA and BC NSW's Memorandum of Understanding (MOU) spelled out terms and expectations relevant to their key stakeholders, including:

### Members.

"A BCNSW member who is not a member of BCA will become a member of BCA at no cost (unless they opt out of membership)."

### Board.

"The new Board will consist of a minimum of one-third of its members being residents of NSW or the ACT."

### Staff.

"Employees of BCNSW at the time of the merger will be employed by BCA on existing terms, and with existing entitlements for the duration of their current contracts. BCA will retain an office in Sydney for at least ten years after the merger, with similar capacity & services to that of the BCNSW office immediately prior to the merger."

NCOSS note: The term "merger" was used earlier on in the process before it was changed to "consolidation", a more accurate word in BCA/BC NSW case.



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# 03

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## **Process: Establish how you will measure the success of the merger.**

### **WHAT STUDIES RECOMMEND**



"Co-create impact measures with service customers/beneficiaries where possible to fully assess and report on social impact."

**- *Thinking Big: To merge or not to merge – that is the question,***  
Our Community, Moores, Commonwealth Bank (May 2015), p8.

"Before the merger, set financial and other key performance indicators (KPIs). After the merger, track outcomes against those KPIs. This leaves you well placed to correct your course if you need to, and to celebrate successes. It also helps to ensure the transparency of the financial and mission-focused aspects of the merger process."

**- *Mergers, Amalgamations & Acquisitions in the Australian Not-for-Profit Human Services Sector,*** RMIT University and CPA Australia (March 2018), p19.

## WHAT BCA & BC NSW DID



03

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**In its January 2017 MOU, BCA identified its priority actions, and their target completion dates:**

- Developing merger processes.
- Establishing a President's Committee to guide the process.
- Developing a merger plan, which includes budget considerations (for staffing, finance and infrastructure).
- Moving to use the same accounting software.
- Sharing of office administration duties.
- Submitting a joint funding application.
- Mapping of current and anticipated future service demand.
- Integrated Service Planning.
- Utilising the skills of the Executive Officer of BCNSW in national advocacy activities in Sydney.
- Reviewing both membership data bases to determine cross over of membership.
- Discussing location of future services.
- Identifying appropriate sequencing of strategic infrastructure; and
- Examining cost-sharing arrangements.



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# 04

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## Particulars: Identify and address potential barriers.

### WHAT STUDIES RECOMMEND



In a 2014 summary of research and case studies, the Stanford Social Innovation Review (SSIR) pointed out several reasons as to why non-profit mergers 'continue to lag'. (4)

The top three (3) key impediments are about:

- Blending Boards of Directors
- Blending Staff
- Blending Brands

Planning to address these at the onset is vital. SSIR presents video interviews of a President and CEO who has overcome these barriers. See -

### ***Creating Successful Non-Profit Mergers***

[https://ssir.org/articles/entry/creating\\_successful\\_nonprofit\\_mergers#](https://ssir.org/articles/entry/creating_successful_nonprofit_mergers#)

# 04

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## Particulars: Identify and address potential barriers.

### WHAT BCA DID



#### On blending Boards:

"The first board of the merged organisation will consist of a minimum of one-third of its members being resident in NSW or the ACT. This condition is not required to be contained in the constitution, but must gain the agreement of BCA members and be maintained for three years from the date the merger comes into effect."

#### On blending Staff:

"BCA envisioned its new organisational structure as such- Both organisations recognise the benefits of combining resources whilst retaining a degree of autonomy at a State level. Whilst not weakening the BCA ethos of direct control of the national organisation by its members, BCA will develop appropriate constitutional amendments to allow for State divisions in its organisation. These State divisions will remain in the effective control of the national board, but may provide a degree of autonomy for members in that State. If viable within these constraints, the existing legal entity of BCNSW will be retained to form the NSW State division."

#### On blending Brands:

"BCNSW (formerly known as the Association Of Blind Citizens of NSW) has a proud history of advocacy for people who are blind or vision-impaired since 1910. BCA has a similar history since 1975. A merger of these two organisations must take these histories into account, and celebrate them into the future."

# References

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- 1) “Thinking Big: To merge or not to merge – that is the question”  
(Our Community, Moores, Commonwealth Bank, May 2015)
  - 2) “Mergers, Amalgamations & Acquisitions in the Australian Not-for-Profit Human Services Sector” (RMIT University and CPA Australia March 2018).
  - 3) Blind Citizens Australia and Blind Citizens NSW's Memorandum of Understanding for consolidation can be viewed at -  
<https://www.bca.org.au/nsw-act-state-division/>
  - 4) Creating Successful Non-Profit Mergers  
[https://ssir.org/articles/entry/creating\\_successful\\_nonprofit\\_mergers#](https://ssir.org/articles/entry/creating_successful_nonprofit_mergers#)
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# Acknowledgment

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**Graeme Innes**

**Long-time leader and member of Blind Citizens Australia  
Australia's Disability Discrimination Commissioner from December 2005 to July 2014**

Much thanks for giving us your time and candid thoughts in order to contribute to the sector's understanding of the impact of change on specific disability services.

View Graeme's interview with NCOSS at the NCOSS 'Skilled to Thrive' Resource Hub:  
<https://www.ncoss.org.au/skilledtothrive>

**Queries about this paper to [info@ncoss.org.au](mailto:info@ncoss.org.au)**

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