

KEY PLAYERS AND THEIR ROLES

Regardless of the timetable, a merger or acquisition is a function of shared governance and involves the same key players.

The Chief Business Officer. When two presidents initiate conversation about a potential merger or acquisition—which is most often the case—the next people they bring in are the chief business officer (CBOs). Finances tend to drive M&A activity, at least initially, and CBOs are the experts on that topic. They will know, for example, their own institution’s key financial metrics and be able to fairly quickly assess how the other institution’s metrics match up. They also have experience in financial modeling and projections.

It is often the CBO’s responsibility to select and retain consultants who can assist with financial and legal analyses.

The Governing Board. A change agent president, with assistance from the CBO, can make a compelling case for considering a merger or acquisition. Sometimes, it is one or two trustees who take the initiative. But, ultimately, the decision belongs to all members of the institution’s governing board.

KEY QUESTIONS

- What’s happening in the higher education market in general?
- Is the institution in an educational market that is growing, stagnant, or declining?
- Is the institution losing or gaining share (locally, regionally, nationally)?
- What strategies are being employed by other institutions in the region and/or market segment?
- How does the institution match up with its chief competitors?
- What is best for our students?
- Does our board have a good balance of alumni and nonalumni?
- What specialists or consultants might we need to engage to thoughtfully pursue the idea of a merger or acquisition?
- What state agencies, departments, or other entities would need to be informed about any merger or acquisition activity?
- What institutional top priorities or decision criteria would be important to consider during any negotiations?
- Strategically speaking, what optimal result would a merger or acquisition bring for our institution?
- Financially speaking, what optimal result would a merger or acquisition bring for our institution?
- Who would be a good project manager to oversee the process?
- What is most important to our constituents?
- What is most important to the other institution’s constituents?

- Do we need to consider any donor restrictions on large or specialized gifts?
- What would be the ideal time to finalize a transaction?
- What key issues are likely to arise during merger or acquisition discussions?
- What are some potential resolutions for each key issue?
- How might we prepare alumni to positively receive the news of a merger or acquisition?

This checklist is an excerpt from the book *Winning Combinations: A Guide to Mergers and Acquisitions in Higher Education* (NACUBO, 2019). The book helps you understand potential challenges inherent in conjoining the programs and people from merging institutions.

As more institutions have considered the option of a merger or acquisition and have sought to understand the process involved, there has been a growing need for a guide addressing the critical questions:

- How do such conversations begin?
- How long can a merger take?
- Who needs to be involved in the work and when?
- What are the critical milestones along the way?

Written for both institutions considering their next big strategic move as well as for those wondering how they'll keep the lights on 10 years from now, this book taps into the collective experience of more than a dozen leaders in higher education who have initiated, observed, facilitated, participated in, contributed to, and analyzed all types of mergers, acquisitions, and consolidations. Purchase your copy today <https://products.nacubo.org/>

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