TIMELINE FOR NEWSROOM MERGERS

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The primary purpose of this document is to help public broadcasters and independent newsroom operations understand the steps and timeline necessary to reach a formal merger agreement. The timeline and the activities will vary depending on the overall vision, size of the newsrooms, type of the organizations, legal structure, and the intendent reach (local, regional, national or international).

SAMPLE NEWSROOM MERGER TIMELINE

STEP 1: BUILD TRUST AND THE ABILITY TO WORK COLLABORATIVELY

Focus areas: Editorial collaboration, co-fundraising, high-level conversations on the benefits of strategic alignment, cultural fit

Suggested activities (**3-6 months or longer**):

> Spend time together at the senior staff level and board level

> Share resources (e.g., offices, reporters, equipment)

> Collaborate on editorial initiatives

> Identify if strategic alignment makes sense, and why

> Participate in co-fundraising, if possible

STEP 2: CREATE A VISION FOR HOW ORGANIZATIONS COULD MERGE

Focus areas: Editorial mission/vision, potential leadership structure, branding approach

Suggested activities (**1 to 3 months**):

> Conduct a SWOT exercise to determine alignment on strengths, weaknesses, opportunities and threats to ensure a shared understanding of the landscape

> Agree on the shared mission/vision for the combined organization

> Create an editorial plan for how the two newsrooms will work together. This editorial plan will help inform potential funders and be a guide through the business planning process

> Agree on the basic branding approach (do the two brands continue to exist or does one brand go away over time?)

> Confirm the leadership structure for the combined organization, and make sure that all agree with who is going to lead the enterprise post-merger. These discussions should also include any structural changes to any oversight boards, if relevant.

  - This leader will have the final sign off on the business model for the combined organization

- Identify funders that may support the merger and confidentially discuss the shared editorial vision; inviting feedback, questions and gauging potential for philanthropic support
- Involve Board, as needed, to gain early buy-in to the merger

STEP 3: CONDUCT RIGOROUS BUSINESS PLANNING AND DILIGENCE

Focus areas: Business model development, due diligence

Suggested activities (**1 to 3 months**):

- Collect information and data on the following areas (refer to the "Due Diligence Checklist for Newsroom Mergers" for a complete list of the due diligence items):
    - Financial and organizational materials (financial statements, staff and contractor roster, etc.)
    - Governance (bylaws, minutes from the board or advisory group meetings, etc.)
    - Tangible and intangible assets (equipment, facilities, brands, copyrights, etc.)
    - Content (editorial roles, editorial policies, content and distribution partners, etc.)
    - Development (membership giving levels, list of events, sources of grants, etc.)
    - Marketing and communications, social media (communications and content workflow, digital ad budgets)
    - Technology (software systems and platforms, vendor contracts, website hosting, etc.)
- Create a detailed business model for the two organizations operating as a merged organization
    - Provide documentation for all revenues/expenses, reserves, restricted versus unrestricted revenues, preferably audited by an independent accounting firm
- Prepare a staff plan for the new organization, which includes both existing salaries and benefits and any additional positions to be hired in the merger. Identify if any positions will be eliminated in the merger
- Identify additional sources of revenue to support the merged organization and overall plan for sustainability for a 5-year timeframe and beyond
- Determine where the staff offices will be located, and clarify expectations for co-working in the shared office space
- Discuss and agree about any services that will be ended (e.g. newsletters, podcasts, print

publications) or locations that will be closed due to the merger

STEP 4: AGREE ON MERGER TERMS AND PREPARE AGREEMENTS

Focus areas: Creating formal agreements, integration planning

Suggested activities (approx. **3 months**):

- If necessary, create and sign a Letter of Intent (LOI) documenting that the two organizations are committed to confidential, exclusive discussions with the goal of merging the two organizations
- Prepare formal merger documents
- Engage in more extensive due diligence, such as documenting staff salaries and benefits, reviewing all contracts, documenting insurance coverage and inspecting all lease agreements (refer to the "Due Diligence Checklist for Newsroom Mergers" for a complete list of the due diligence items)
- Review all grant agreements and identify any grants in progress that require pre-approval from the foundation before transferring a grant to a new/merged organization. Make sure all grant approvals are sought and received in writing before signing merger agreements.
- While merger documents are being finalized, prepare plans for integration (refer to the "Implementation Checklist for Newsroom Mergers") and communication of the merger. Keep key foundations and donors informed of the status and projected merger signing and announcement dates.

STEP 5: SEEK BOARD APPROVAL AND CLOSING

Focus areas: Finalize merger documents, receive board approval, integration planning

Suggested activities (approx. **1 month**):

- Finalize merger documents
- Board discussion and approval
- Closing