

Two Ministries of Sisters of Mercy To Merge

The new organization reflects a growing trend among nonprofits

By Nate Dougherty

For more than a year the small nonprofit Mercy Residential Services sought a partner with whom to share administrative tasks and ultimately ensure its mission would carry on. It found that partner in the same ministry.

Mercy Residential Services is merging with Mercy Outreach Center, Inc., both sponsored ministries of the Sisters of Mercy but separately incorporated. The new organization, Mercy Community Services, will continue the work of both organizations, while combining several duplicate administrative functions.

The merger is a boon for both, said new President and CEO Susan Aiello, who had worked as head of Mercy Residential Services. The mission of that organization, which offered housing and support for teenage mothers, fits well with Mercy Outreach's work providing health care and dental care to the uninsured.

"Our goal for the merger is the sustainability of the work of both these ministries," Aiello said. "Both have very small budgets, some grants foundation support but lots of fundraising, so we've always been looking for a way to make better use of donor money."

For the Sisters of Mercy, the merger ensures its work in both organizations can continue unabated, and its own mission is carried on.

"We're now able to serve individuals in a more unified way," said Sister Patricia Prinzing, vice president of the Sisters of Mercy. "Women in Mercy Residential Services can now have their health care taken care of, and we can strengthen our ministry in the city of Rochester."

The merger reflects a growing trend among nonprofits seeking way to cope with less government support and a difficult fundraising environment, Aiello noted. Locally, the United Way of Greater Rochester Inc. encourages these mergers with a sustainability initiative that looks into way the nonprofit sector can become stronger through mergers or other efforts.

The United Way provides funding through its Synergy Fund, offering grants to organizations looking to increase operational efficiency. The Mercy Community Services merger received support from the Council of Agency Executives and Ad Council of Greater Rochester as well as the Sisters of Mercy.

“The Council of Agency Executives was instrumental in helping us understand how we need to do this,” Aiello said. “They worked primarily with our attorney and the two boards and were great in helping everyone see what steps we needed to take.”

Mercy Residential Services began looking for another group to merge with in May 2010, spending most of the next six months after that working out details with Mercy Outreach Services and drafting a new mission statement, vision statement, and bylaws. The following six months were spent applying for and receiving the needed state approvals.

While nonprofits often experience difficulty navigating the merger process, being under the same ministry umbrella made the work easier, Aiello said.

“We found that having the same values and culture of the Sisters of Mercy really streamlined the process,” Aiello said. “In mergers that’s often the most difficult challenge.”

With a year of working out details and formalizing the structure behind it, Mercy Community Services next will reach out to donors to explain how the change will benefit both organizations, Aiello said. An online survey of donors, constituents, and other supporters conducted with the help of the Ad Council found support of the merger, she noted.

The outreach is part of a new marketing and communications strategy the Ad Council helped craft for Mercy Community Services, which includes a new website and a presence on social media sites.

The organization will have strategic advantages, Aiello said. The merger will maintain the 2.5 full-time-equivalent employees of Mercy Outreach Center and the 8 full-time and 5 part-time employees of Mercy Residential Services, and it will give these employees the opportunity to focus on strengths rather than be stretched with additional duties, Aiello said.

For Robert Morgan, chairman of Mercy Residential Services, the merger is a way to ensure both organizations can continue their work without having to sacrifice any services.

“The reason we did this was the focus on the sustainability of both organizations,” Morgan said. “It is imperative that both organizations be able to continue offering the services they had in the past, and by combining some of the administrative resources we can accomplish that goal more effectively, taking what can be dwindling resources and focusing them in the right direction.”

Administrative and financial operations will be merged, with the administrative team likely moving to Mercy Outreach Center’s facility on Webster Avenue in Rochester. For now, Mercy Residential Services will remain in its Oriole Street location, but Aiello said it will likely be looking to move soon as well.

“Sometime within the next year or two the group home will need to move, so we’re already on the lookout for other opportunities for that location,” Aiello said. “We do want to stay in the city or in one of the closer suburbs like Irondequoit or Chili because it’s important for our residents to stay connected to their community, and most are from the city.”

The two boards of directors will be combined into one, with separate program committees for the services. Each service will have a dedicated senior staff member responsible for operations, Aiello said.

For two small organizations – Mercy Residential Services reported revenues of \$575,540 in its most recent fiscal year, and Mercy Outreach Center, \$270,625 – improving efficiency takes on even greater importance, Aiello said.

“In a difficult economy, this makes sure that our services and the spirit of the Sisters of Mercy will continue,” she said. “We’re not taking the momentum that’s building from this accomplishment forward to grow and continue to benefit the community.”