



DUKE DILIGENCE

Considering an alliance with another institution? Ask the right questions

By George K. Brushaber

SOME THEOLOGICAL SCHOOLS ARE FRAGILE AND STRUGGLING; others are enjoying strength and health even in the midst of this difficult economy. Both types may find it beneficial to consider new working relationships and cooperative arrangements with other seminaries. In fact, a robust institution may find it easier to embrace change and to be open to new partnerships. But challenged theological schools also need to look for potential renewal through alliances. In either case, the blessing and involvement of trustees is essential.

Considering an alliance?

A checklist for boards

- ✓ **Be of one mind.** Be sure the board and the president agree on the study's parameters and what they hope to gain from it.
- ✓ **Know thyself.** What are your theological school's strengths and what are its vulnerabilities? Does the seminary look to partnerships from a position of strength or fragility?
- ✓ **Do unto others.** What might your school offer to potential partners?
- ✓ **Plumb your capacity for change.** Is your school ready for change and

innovation? How can the natural aversion to risk among various constituencies be mitigated? Does the seminary community have sufficient tolerance for ambiguity to allow the study to wind its way to a conclusion without being prematurely aborted?

✓ **Discover the source.** Where does the initiative for a study of possible partnerships lie? How broad is the ownership of such an exploration?

✓ **Map the decision-makers.** Who are the formal or official decision-makers among the board and within the larger community of the theological school?

Who are the informal decision-makers? Map out whose opinion really matters.

- ✓ **Know where the emergency exits are.** Recognize the need for exit doors — places where the process can be abandoned without damage.
- ✓ **Sign on the dotted line.** At what point during the process will formal agreements need to be signed among the partners? Determine when your board will need to take votes to move forward; establish a timeline with the other institutions. Prenuptial agreements should be clear and a periodic renewal of vows is recommended.
- ✓ **Keep secrets when necessary.** Establish clear rules regarding confidential-

Why consider collaboration?

Most theological schools consider collaboration because they are under financial stress.

The reasons include declining enrollment — especially declining full-time-equivalent (FTE) enrollment — which translates into shrinking tuition revenues. At the same time, some theological schools have grown distant from their constituent churches and the financial supporters in the pews. Denominational support has failed to keep up with rising costs.

In the Summer 2009 issue of *In Trust*, Robert E. Cooley outlined six possible motives for cooperation between schools:

- Collaborating to fulfill the church's needs.
- Greater financial strength.
- Critical level of enrollment.
- Stronger education from blended faculty.
- Multiculturalism (if the partnership is between an ethnic school and a traditionally white school).
- Economies of scale from shared technology or purchasing agreements.

What are the potential payoffs?

In the best cases, partnerships can help theological schools find new vision, new confidence, new economies, and especially new educational effectiveness. Resource streams can be expanded. Costly redundancies can be reduced. New types of students can be attracted and retained. Morale within the seminary community can be improved. The bond between the trustees and the campus can be

strengthened and everyone's commitment to the seminary and its mission can be renewed.

Too optimistic? Maybe. But it is certainly worth weighing these potential benefits against the effort, pain, disruption, and even dislocation that a new merger or partnership can bring. Remember: Theological schools tend to be risk-averse and resistant to structural change, so there will likely be opposition even to the study of a partnership or merger. Trustees need to be involved fully and provide constant support for the study process.

How does a school get started?

Collaboration can take many forms. At the earliest stages of exploration, the president and board should resist the urge to define or limit the models that will be considered. **An elephant is best eaten one bite at a time;** likewise, it's a good idea to take small steps in confidence-building. On the other hand, bold and far-reaching options should not be taken off the table prematurely.

Potential partners may be obvious, but promising alternatives may emerge with further study. It is important for a theological school to consider asymmetrical partners like colleges and universities as well as other seminaries. Some potential partners may not even be schools. For example, a seminary might team up with a nonprofit agency like a church publishing house to share office space, human resource functions, or other administrative capacity. Indeed, the simplest partnerships may be among the most cost-effective — rather than a merger with another school, some seminaries should consider collaboration at the level of offices,

ity, but prepare for violation of those rules. Most people are good at keeping secrets, but one wagging tongue can let the cat out of the bag.

✓ **Inform at the right time.** Who needs to be informed about the process? Even people who are not making decisions may need to be kept abreast of the negotiations. Develop a good communication plan, map the key constituencies, and assign the role of spokesperson clearly. Execute the plan in timely fashion and with respect and integrity.

✓ **Lawyer up.** Before entering into serious negotiation with a potential partner, hire an attorney to help you find

a way to accomplish your purposes in a manner that is just, moral, and legal. Be careful of legal naysayers who see all the reasons why something cannot and should not be done.

✓ **Renew old friendships.** Study the history of your school and of your potential partner organization — especially the points where you have crossed paths. Look for points of alignment and take care not to pick scabs off old wounds and conflicts.

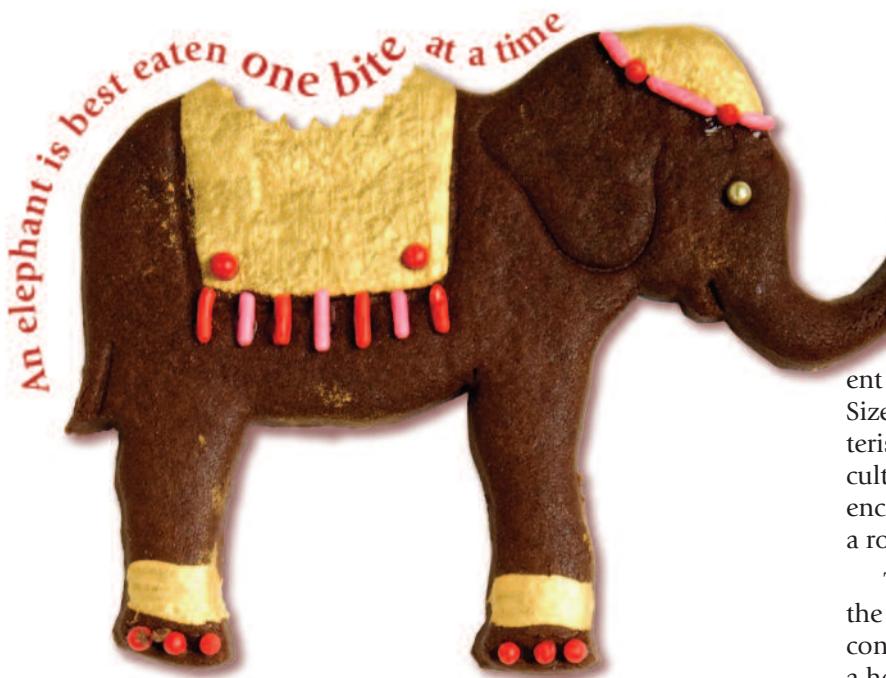
✓ **Know the winners and losers.** If you proceed toward collaboration, be sure to understand who will be the winners and losers within your school's constituency and within the constituency

of the other school. How might losses be compensated? Should the winners be given new responsibilities?

✓ **Check your assets.** A partnership sometimes means a transfer of assets. Be clear about this, and about any accompanying liabilities, but don't allow these to derail the process suddenly.

✓ **Don't limit your definitions of success.** Don't define success only in terms of a completed partnership fully implemented. Success may also mean the reaffirmation of the seminary's full independence and self-sufficiency.

—George K. Brushaber



departments, and functions. Joint purchasing arrangements, insurance cooperatives, and shared facilities have sometimes (though not always) worked remarkably well to the benefit of all parties.

Some collaborations bring together institutions from different theological traditions or denominations, though theological differences can also be a

A typology of partnerships

CONSOLIDATION

Two or more institutions are collapsed into one new institution, usually with a different name, mission, and scale of operation.

TRUE MERGER

One institution is blended or merged into a dominant institution with that institution serving as the exclusive legal successor.

CONGLOMERATE

Without losing their individual institutional identities, two or more institutions enter a joint venture to address redundancies. The conglomerate has its own name and identity.

CONSORTIUM

Two or more institutions enter a collegial collaboration for sharing resources. May include cross-registration, joint libraries, shared facilities, common technologies, or shared operations.

ASSET TRANSFER

One institution transfers some or all of its assets to a second institution (often a university), which provides for the continuation of the first institution's programs.

AFFILIATION

A joint venture that preserves identities and governance structures but which provides common academic programming or operational services.

—Robert E. Cooley

source of frustration and failure. Strange as it may seem, an alliance with a competitor can also be useful and healthy. Asymmetrical options, however, often hold the most promise, as different strengths and different needs are brought to the table for exploration. Size, strengths, location, history, distinctive characteristics, vulnerabilities, leadership capacities, cultures, and many more factors — whether differences or similarities — each can become either a route to a successful alliance or a dead end.

The key to any exploration of partnership is the determination and capacity of both parties to consider the *best interests of the other entity*. As in a healthy marriage, self-interest is not enough to make a successful partnership. Any alliances short of that commitment to the other party will fray and disintegrate with pain and acrimony.

But what if no immediate or obvious partner is on the doorstep? Does that foreclose any discussion of alliances and affiliations? By no means. The exploratory exercise itself can prove productive in helping a theological school understand itself and to recognize more clearly its strengths, liabilities, and strategic options for carrying forward its mission effectively and faithfully.

Trustees should consider engaging a wise third party as a broker or facilitator, assisting the seminary in its exploration of potential alliances and affiliations. In almost every instance of successful partnership, a neutral resource person has shepherded the process. That person's outside eyes can help the president, faculty, and board size up the risks, opportunities, and timing of both study and implementation of collaboration. The same facilitator can promote communication among the trustees, president, and seminary community and can keep the seminary informed of other models and options being developed and implemented within the world of theological education. **IT**

Stay tuned as In Trust continues to provide resources and information on this topic. Keep us informed of collaboration efforts at your seminary by e-mailing editors@intrust.org.

George K. Brushaber is president emeritus of Bethel University in St. Paul, Minnesota. He was president of the school from 1982 to 2008, and currently serves as vice chair of the board of In Trust.