



AN INTERVIEW WITH DISABILITY MACARTHUR & MYRTLE COTTAGE

NCOSS chats with CEOs AnnaMaria Wood and Elizabeth Delcasse about their decision to NOT merge. Instead, they are working to strengthen their collaboration in a competitive environment.

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.

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Background

In January 2019, Disability Services MacArthur and Myrtle Cottage announced that they were working towards a partnership with the view of merging (1).

The move was envisioned to ensure that clients of both organisations will receive the best possible care and assistance throughout their lives.

This kind of mission-focused and client-centred motivation is the best (and ought to be the primary) reason for organisations to merge, according to *"Thinking Big: To Merge or Not to Merge"* 2015 guidebook, jointly produced by Our Community, Moores and Commonwealth Bank Not-for-Profit Banking (2).

Since then, these two stalwarts in the NSW Macarthur region have decided to NOT merge.

Instead, they have recommitted to pursue a different model of partnership: one that involves cooperating in an environment where competition has become the norm, trusting in handshake agreements (where possible), and formalising agreements (where appropriate).



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Question: How would you describe this (new) partnership after your decision to not pursue a merger?

Answer:

We've had a close relationship for 30 years now, our premises are near each other. It seemed like a natural progression for us to be one organisation. (After the merger announcement) It took a while to realise that there were still significant differences.

Disability MacArthur is primarily in the National Disability Insurance Scheme (NDIS) space, Myrtle Cottage has 25% disability services. In the space where our services are similar, we have shared values and beliefs, as well as activities and resources, even policies and procedures.

We're still in the process of looking at formal processes, as the decision to not merge is still fairly recent. We're still maintaining informal partnerships, but no one's in a hurry as we continue to work it out.

We have to remember that one of the preparations that NDS (National Disability Services) did under the Industry Development Fund was to encourage partnerships and mergers (3). That was the precursor. Both State and Commonwealth forums also actively pushed it. These days, we hear through the grapevine about organisations merging, but we don't know who they are. There is no 'go-to' resource person now. (Former NSW Ageing Disability and Home Care) ADHC's absence has left a huge gap (in terms of sector support and development). If you're not an NDS member, you don't get to know what's happening. ADHC provided the glue (for sector cohesion), and identified gaps in services. Now, a lot of community (sector) development positions have been defunded.

Question: What specifics does the partnership involve?

Answer:

Resource sharing.

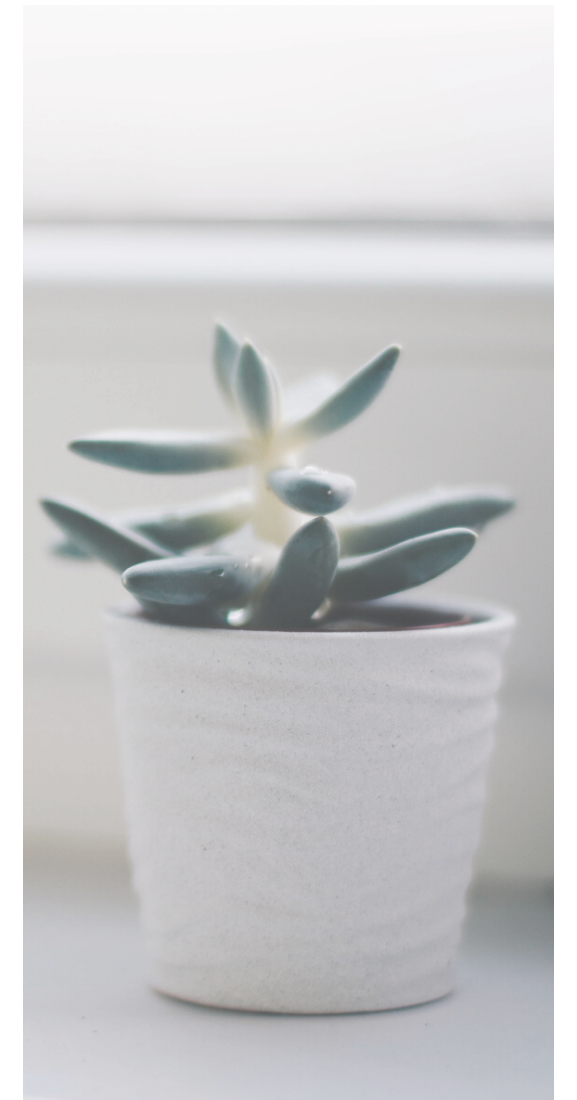
We've been sharing and hiring vehicles for a long time. We intend to continue.

Shared service provision to people who would have otherwise fallen through a service gap.

As an example, Disability MacArthur has premises called Sunflower Cottage in Narellan that runs respite programs and activities. It is a high-support cottage, with a pleasant atmosphere and purpose-built facilities which were not being used every day. Myrtle Cottage has dementia programs and had been trying to respond to people with younger onset dementia, but didn't have appropriate facilities. We started gathering 4 to 5 clients and brought them to Sunflower Cottage in the morning and took them back in the afternoon. It made sense to provide a younger onset dementia service in this way, which neither of our services would have been able to provide on our own.

Joint social calendar for staff.

There's commitment on both sides to come up with ideas for 6-monthly social calendars. Myrtle has 22 full-time staff and 102 service volunteers, while Disability MacArthur has 62 staff and 11 service volunteers. Together, we've initiated cocktail nights, trivia, hand massage, among others. Once a month, staff from both organisations attend these socials, in their own time. It gives opportunity for our staff to talk to each other, share stories, meet like-minded people. It contributes to work-life balance and good mental health. We wouldn't have been able to stay connected otherwise. We've recently opened our joint social calendar to other service providers in the area.



Question: What specifics does the partnership involve? (continued)

Answer:

Staff lending and outsourcing of casual workers pool.

When Disability Macarthur required an extra support coordinator, Myrtle Cottage provided an opportunity for one of their staff to work with Disability Macarthur. The person was already working three days a week with Myrtle; the opportunity allowed the person to work another two days. We also share casual staff, as needed.

Cross-referring volunteers. We had referred volunteers to each other for placement.

Joint staff training.

We've held joint training for our staff, especially at times when we needed the numbers to support each other. Examples are the Medication Policy, Epilepsy Training and Dignity of Risk training sessions.

CEO mutual mentoring.

It takes not just trust but shared points of view and values... When you go into a meeting, you should go in terms of what you can give - it makes a difference to your clients. The current environment can be difficult. The (mutual) mentoring and support keep you from feeling isolated.

Information sharing.

It's not just about networking, but actively sharing information that's come our way which we feel would benefit the other, in the belief that it may not otherwise cross the other's path if you didn't share it.

Shared client activities. It's a space that we're continuing to review based on each other's needs and those of the community.

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Question:

Are there systems and strategies that you're putting in place, or issues that you're actively managing, to make the partnership experience seamless for all?

Answer:

We don't think that MOUs (Memorandum of Understanding) and formal partnership systems are a deterrent, but we're too practical to wait to sign a MOU. We're happy to keep adjusting and trialling new things; but we won't discourage anyone who'd like to go the formal pathway.

We did not dismantle everything that we had put in place (when we were considering the merger), and we might end up formalising some parts.

It's important to recognise the pros and cons (of each option), to not let a situation split you apart. The spectrum of collaboration, from informal to formal, should suit the organisations best.



04

Question:

There are many good reasons why organisations don't merge after having carefully considered it, and equally compelling reasons why some merge despite massive challenges. After your journey, what would be your best advice for those in the middle of making a decision?

Answer:

Know why you're doing it.

Don't lose sleep over it; keep the focus simple: who are you trying to benefit in making a decision? For us, it's **Client** first. That should guide your steps and decisions.

Within our organisations, there may be varying opinions about to merge or not to merge. We started the due diligence together. As you go through that journey, you get to learn a lot about your organisation that you didn't know before (which cannot be shared here due to privacy/confidentiality). It's not just about the due diligence. When you learn new things about your organisation, you understand that (the journey) would be different for each organisation. It IS like a marriage. You need to be clear about what you put in, "what can we contribute to the partnership?" versus "what can we get"? You can find more reasons for failure if you focus on "what can we get?". Client-centredness and the mission are really central.

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Question:

After your journey, what would be your best advice for those in the middle of making a decision? (continued)

Answer:

Know your other options.

Be aware of other options aside from merging. You could get advice from all over the place, but learn a lot about other alternatives, as well.

If it's about survival under NDIS, we already know that it (NDIS) is not a reliable cash-flow source of income. We took a deliberately planned approach to continue in our niche. Even in a survival mode (and you're considering a merger because you need to thrive), it's always in the best interest of the client.

There is no easy exit. The reason why you're trying to avoid a "non-survival" is because of your client and the community they live in.

Question:

There was also a UNSW 2017/2018 study on “Competition and collaboration between service providers in the NDIS” (4). It called for “frameworks which provide strategies for 'coopetition', where organisations both compete and collaborate...given findings that a competitive environment is already impacting collaboration between disability service providers and the repercussion of this for care coordination". The 'coopetition' framework seems to be the one you're operating in, given the small intersection in your target client groups (people with disabilities aged 18-65). Are there specific strategies that you could share to make 'coopetition' work in a tough funding environment?

Answer:

We do think that service providers are more distant from each other now. The distance has been multiplied by the NDIS model which is not conducive to cooperation. Instead of pooling resources, there are people who avoid working with each other. Poaching of clients exists in the sector.

Theoretically, in Macarthur, we've never had that attitude; but the NDIS model has moved organisations towards that. (For us) As long as there are services in the area that meet the gaps, it never mattered.

Info sharing has definitely dropped, it's harder to know about what other service providers are doing. You won't be able to find a lot of organisations that are cooperating. The industry has become about the bottom line as a result of changes brought about by NDIS and the sector response to an ever-changing price guide.



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Question:

Are there specific strategies that you could share to make 'coopetition' work in a tough funding environment? (continued)

Answer:

NDS was originally all about the Business Plan: marketing yourself, even changing your business name, having good marketing strategies.

A number of services ended up merging and disappearing from the system. If we're looking at something to NOT push too strongly, it's the marketing strategy overshadowing client service. (If you think about clients that you're not getting) It's not because you're not doing marketing well. How many clients do you get from open marketing initiatives? This is something that we're learning to measure. Traditionally, you get most clients from word-of-mouth, your reputation as a high quality service provider, and through referral networks. You still need to be active in the marketplace, but you can still do it well without an exorbitant marketing budget.

Some organisations are still about maintaining strong relationships while continuing to develop their business. They continue to invest time in long-term relationships with other service providers in the Macarthur area.

References

- (1) "Two of Macarthur's disability and aged service providers set to merge", Macarthur Advertiser, 24 January 2019.
 - (2) "Thinking Big: To Merge or Not to Merge". OurCommunity, Moores, Commonwealth Bank. May 2015, p6.
 - (3) Industry Development Fund, National Disability Services.
 - (4) Competition and Collaboration Between Service Providers in the NDIS. UNSW Centre for Social Impact, August 2018, p14.
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Acknowledgment

Much thanks to our interviewees for this story, who graciously gave us their time and candid thoughts in order to contribute to the sector's understanding of the impact of change on specific disability services.

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