transaction. These statements will provide a common end point for the negotiation. Further, the common mission and vision must become the agenda of the individual players, as well as the agenda of the team. Without a total commitment to the common mission and vision, the players risk being lost in competing agendas and strategies.

Respect and Trust Once the parties establish respect and trust, they can overcome significant barriers to the transaction and achieve seemingly impossible results. Those ventures which are marked by suspicion and recriminations between the parties are not successful. In one of my recent experiences we spent nearly 18 months developing a sense of teamwork among the collaborators. After that we were able to move forward quickly and complete difficult negotiations that had previously been deemed impossible.

Other Considerations

With these three factors at work, I believe collaborative activities can be successful. Several other points are worth considering in the pursuit of collaborative ventures.

Change Does Not Have to Mean Increased Size Proposed collaborative ventures may entail collapsing a system or making it more efficient. They do not have to involve expanding the organization either physically or financially. In this age of decreasing resources within healthcare systems, some of the more successful ventures will require downsizing the system rather than increasing its size.

Deal with the Human Resources Issues Early and Often It is impossible to overemphasize the importance of dealing with the human resources component of proposed collaborative ventures early in the process. The literature is replete with examples of ventures that made perfect sense financially and had a well-developed vision but failed because the parties neglected to prepare the organization for the changes demanded by the proposed collaboration. Even while leaders are developing the broad concepts of a collaborative venture, the human resources team needs to formulate strategies to address cultural changes resulting from the transaction, appropriate severance packages for employees involved, and overall communication techniques.

Protecting the Ministry Is Not Enough In working on collaborative activities between Catholic and non-Catholic organizations, leaders must develop structures to move the ministry forward. Although we must protect the ministry, structures designed to protect can become a wall around the ministry rather than a vehicle to make it stronger and more effective. If we are to survive into the new century, our Catholic identity needs to be up front, flexible, and integrated with the operations of the organization. Thus mission integration, cultural transformation, and ethics must be vital considerations in developing a collaborative structure.

Local Solutions I have found that the key to our success in collaborative ventures lies in solutions hammered out in local markets by committed, passionate negotiators who are rooted in the mission and vision of the venture. The obstacles they face are the same as those faced by others, but their success rate is high because they approach the future with clarity and discipline. □

Wary Travelers: A Reluctance to Collaborate

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In the healthcare field, Catholic providers have gained a reputation for shunning mergers with their own kind. Seminar speakers often joke that Catholic hospitals find it easier to marry outside the faith, and many of us have suffered competitors' gloating with false sympathy that the Catholics would be formidable if only they could get together.

Progress over the past two years, and deals in the works now, indicate that the hold-out period may be ending. The formation of Catholic Health Initiative, the merger of Daughters of Charity National Health System–West with Catholic Healthcare West (CHW), and a host of other affiliations signal the collapse of some of the old barriers.

Despite all the recent progress, there is little doubt that Catholic healthcare organizations struggle with mergers, and for good reasons. Few decisions carry greater consequences or pose greater risks. If done right, mergers create a new, stronger entity. Unfortunately, the journey to strength strips away a piece of identity, imposes unfamiliar mechanisms for control, threatens devoted employees, and obliges confidence in an untested partner.

Such changes also require fortitude to lead anxious stakeholders into the unknown. Even though affiliations undergo enormous scrutiny and are crafted in painstaking detail, planning always falls short of certainty. Completing the affiliation requires a dangerous crossing. No wonder organizations hesitate.

Catholic providers underestimate their ability to collaborate with past rivals.

Crushed Petals

Pursuing this adventure presents special challenges for Catholic-sponsored organizations because they cherish values and corporate culture so deeply. Like every other field in the world today, healthcare endures an endless cycle of change. Organizations struggle to keep pace, particularly in adapting corporate culture to the new world and understanding how values will manifest themselves in the future.

With challenges raining down from all sides, figuring out how to sustain values and hold true to mission is hard enough. Discovering that the best solution requires dependence on someone else compounds the problem. In the face of great uncertainty, many prefer to rely on their own wits and tested solutions. Here lies the great dilemma. In our zeal to carry this wonderful flower into the future, are we protecting the blossom, or are we crushing it by grasping too hard?

Mirror, Mirror

One reason some mergers fail is the difficulty of seeing ourselves as others do. When an organization's assessment of its strengths and weaknesses is out of balance, its perception of others' strengths and weaknesses also becomes skewed. Because values and culture are so subjective, minor shades of difference magnify into stark contrasts. Small details take on huge proportions, carving a gulf between potential partners.

As the parties enter merger talks, it is important for them to step back and gain an outsider's view. Expectations built up over years of habitual relationships need to be shaken. Parties in merger talks should try to articulate in comprehensive detail the important characteristics of the prospective partner, and then rank themselves on the same scale. Often facilitators can help organizations do this well. They should review studies that demonstrate how mission and values are translated into action. By comparing mission effectiveness reports and social accountability budgets, partners get to know each other and themselves. Conducting a thorough assessment of the potential to collaborate requires that we seek out mirrors that provide a balanced view.

Ironically, Catholic healthcare providers envision themselves as healers, yet they grossly underestimate their own power to heal old wounds and collaborate with past rivals. As unlikely as it may seem, competitors often do unite in mergers. Usually, they work together brilliantly as soon as they gather behind common goals.

Mismatch of Structure and Market

Catholic healthcare organizations are characterized by elaborate, hierarchical structures for control and the exercise of stewardship responsibility. In most cases, these structures evolved in a different age, when stewardship could be measured in three dimensions: mission compatibility, financial merit, and legal soundness.

In the contemporary world, good stewardship is measured on some additional scales, including market relevance, specialized business acumen, and adaptability to unexpected events. Structures that promote control and financial goals but ignore geographic market realities or cling to the notion that we can do it all are not emblems of good stewardship. They are bad shoes for a rugged hike. While reluctance to let go of tested solutions is understandable, leaders need to ask whether the old structure measures up on all the dimensions of good stewardship. Does the exercise of control prevent the exercise of good leadership?

Never Say Never

Because mergers are so difficult, they are fraught with false starts. Although the collapse of negotiations is discouraging, frequently it is not final. The Daughters of Charity and CHW tried three times before successfully uniting in 1995. Many mergers have a similar history. If the deal is a good one, if it carries both parties to their destination, they will weather the setbacks and learn from them.

Furthermore, even though the survival of Catholic healthcare depends on Catholic organizations coming together *for the right reasons*, the scope of collaboration needs to extend to non-Catholic providers. Many of the barriers discussed here and by Phil Karst apply to all mergers. American healthcare is turning up its roots as a social enterprise and planting the seeds of business. To save healthcare as a ministry, Catholic providers must develop partnerships with a variety of organizations. Crossing into the future depends on it. □