Mergers, Acquisitions, Partnership Collaborations
Lessons Learned
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Starr Commonwealth, a 102-year old organization in Michigan and Ohio, has experienced a number of Acquisitions, Mergers and Collaborations. The first major merger occurred in 1977, and the most recent collaboration was completed in 2014. For purposes of this presentation, the past six years will be the focus for examples and discussion.

In 2009, Starr acquired the assets of the Children’s Home of Detroit. This included land, vacant campuses, some endowment funds and the National Institute for Trauma and Loss in Children (TLC). This resulted in:

- 4 additional staff from TLC joining Starr Commonwealth
- An additional $500,000 in revenue
- 4 Board Members from the Children’s Home of Detroit joined the Starr Commonwealth Board.

Also in 2009, Starr acquired the Circle of Courage, Inc. through a purchase agreement. Then, in 2011, Circle of Courage, Inc. (now part of Starr) merged in Reclaiming Youth International – the training arm for the Circle of Courage. This resulted in:

- 8 additional staff
- An additional $700,000 in revenue
- No new governance structure or staff functions

In 2011, Starr explored a merger with a larger organization in another state. After nine months of due diligence and final negotiations, the Boards of the two organizations ended discussions and decided not to proceed. If this merger had gone forward, it would have meant $50 million in new revenue with services in five additional states and a merging of the two governing bodies.

In 2013, Starr acquired, through a purchase agreement, PsychSystems, which had been a for-profit LLC. The entity became a department of Starr. This resulted in:

- 5 additional staff, 40 contractors, 1 site
- An additional $1 million in revenue
- Starr absorbed new and additional staff functions to accommodate this growing business line.

Between 2012 and 2014, Starr vetted seven additional options for mergers or acquisitions and/or partnerships. Only one was pursued, resulting in:

- Starr signed a management agreement for one program line (residential on the Albion campus) with Sequel Youth and Family Services. This is a collaboration to serve more youth on our campus in our program, with Sequel driving more referrals and managing the day-to-day operations and risks.