

Before popping the champagne cork...

In the second of a two-part series, accountant Phil Harnby offers tips on how to make a success of a practice merger

In last month's article, I looked at the reasons why mergers between GP practices have become more commonplace over recent years, and the issues that practices need to address in advance of any formal merger taking place. So, having got all your plans in place, what do you need to do to execute them, and how can you then maximise the chances of the merger turning out to be a success over the long term? From a financial point of view, there's clearly much work to be done to bring two (or more) separate business operations together, but while this is a task that creates a lot of initial discussion, our experience shows that it isn't actually the most pressing of tasks. Yes, the new financial model has to stack up, and the combined operations will need to be as robust as they were individually if not hopefully stronger, but this needs to be taken in line with the other merger objectives.

Define success

As with any journey, if you don't know where you're going, it can be very hard to get there, so from the start of the process, define what 'success' will be for everyone involved. How will the new practice operate, what systems do you need to put in place and what patient care, operational and financial benefits do you want to accrue by making these changes?

Project team

As noted in my previous article, appointing a project manager for the merger, and giving that individual clear responsibility for driving the project forward and keeping everything on schedule, is absolutely essential. But your project manager mustn't be left to be a lone voice.

It's not practical for every partner or member

of staff to be involved in every decision, as the whole process is designed to decrease rather than increase pressure. Having a small number of project champions involved in moving things forward, however, will help get decisions made and actions taken.

These champions can also act as conduits for two-way feedback across the practices, which is important from a cultural point of view as well.

Cultural awareness

Being aware of how the cultures in each workplace can be brought together without too much difficulty, and taking steps to make this happen, should be on the radar of merger project managers right from the outset. There are too many examples of business mergers where the model looked great but the people failed to integrate and the merger was condemned to failure. The cost in terms of time, money and reputation of unpicking these badly joined organisations can be enormous. This issue doesn't just relate to employees – the GPs involved in the merger need to find ways of working positively together, otherwise the chances of overall success are very slim indeed.

Staff morale

While it's unlikely that a merger will lead to many staff redundancies, if any, there are likely to be alterations to roles and responsibilities for some staff, especially if roles are replicated or people have the same levels of seniority. To avoid confusion or resentment, clear definition needs to be provided on who is responsible for what, who manages who and what the staff structure for the new organisation looks like, preferably before it goes fully live.

Training and development needs should also



Phil Harnby is manager at RMT Healthcare, a member of the Association of Independent Specialist Medical Accountants. For more information call 0191 256 9500 or email phil.harnby@r-m-t.co.uk. To find an AISMA accountant visit www.aisma.org.uk

be identified, particularly if new skills are required for people moving into different or enhanced roles. Many of the most successful mergers are based around staff getting to know each other as early as possible in the process. Looking for ways to facilitate this makes sense, and any issues that do arise should be addressed quickly to stop them growing into something more serious. It might also be that one of the GP partners takes on a greater degree of administrative responsibility for the new larger practice, which could mean a reduction in their clinical time. Once again, making sure the relevant individual understands and accepts what this new role entails is essential before they take on these new duties.

Partnership agreement

Looking further at the merger from an administrative point of view, a new partnership agreement will be needed for the newly merged organisations. This needs to reflect the pre-merger positions of each practice. For example, how will property issues be managed if one of the practices owns the buildings it uses while the other one doesn't?

It's likely that new banking arrangements will also be required, especially if you're looking at investments in premises or services in the foreseeable future.

Inform patients

Patients shouldn't, of course, be forgotten in all this administrative work. Once a suitable point in proceedings has been reached inform patients about the merger and the changes and improvements they can expect. This is a crucial task, and indeed such consultation is demanded by NHS England.

Allowance should be made for patient queries, with named individuals taking responsibility for responding to them in a timely fashion.

Even when everything is in place and the celebratory champagne corks have been popped on the merger, there will always be work required to keep things running smoothly, just as there would have been in the individual practices. Assessing and improving the services provided on an ongoing basis will continue to be a core practice management task. But if the merger has been carried out on the right basis and the objectives set at the start of the process have been achieved, this should end up being a more achievable and rewarding task for all involved.

