

Figure 2: Types of Strategic Restructuring: What is involved and how do you decide which to pursue?

Strategic Alliance	Involves a commitment to continue, for the foreseeable future, shared or transferred decision-making power, and a formal agreement. There is no change to the corporate structure of any of the organizations involved.	
Types of Strategic Alliance	What is involved?	When is this the best choice? When your objective is . . .
Administrative consolidation	The sharing, exchanging, or contracting of administrative functions to increase the administrative efficiency of one or more of the organizations.	To reduce administrative costs and increase administrative efficiency; when the organizations want to remain independent and achieve these ends by working within existing organizations.
Joint programming	The joint launching and managing of one or more programs to further the programmatic mission of the participating organizations.	To achieve specific, significant, but limited programmatic ends; when the organizations want to remain independent and to achieve these ends by working within existing organizations.
Corporate Integration	Involves changes to corporate control or structure, including the creation or dissolution of one or more organizations.	
Types of Corporate Integration	What is involved?	When is this the best choice? When your objective is . . .
Management services organization	The creation of a new organization in order to integrate administrative functions and increase the administrative efficiency of the participating organizations.	To increase administrative efficiency on a large scale by creating a separate business that can provide services to multiple organizations
Joint venture corporation	The creation of a new organization to further a specific administrative or programmatic end of two or more organizations. Partner organizations share governance of the new organization.	To achieve specific and significant programmatic ends by creating a separate entity to fulfill a programmatic purpose.
Parent-subsidiary	The integration of some administrative functions and programmatic services to increase the administrative efficiency and program quality of one or more organizations through the creation of a new organization or designation of a preexisting organization to oversee the administrative functions and programmatic services of one or more other organizations.	To achieve synergistic gains in ability to achieve mission by integrating organizations and corporate structures.
Merger	The integration of all programmatic and administrative functions to increase administrative efficiency and program quality of one or more organizations through the dissolution of one or more organizations or the creation of a new merged organization.	