



Full Spectrum Features explored a prospective merger and decided to not to move forward.

# Successful Due Diligence in Advance of a Merger

Full Spectrum Features received an exploratory grant from the Mission Sustainability Initiative. Although the prospective merger looked great on paper, a shared project demonstrated that the merger would not align with their values.



**Mission Sustainability Initiative**  
Exploring & Supporting Collaboration

### Sustained Collaboration Type

Merger

### MSI Grant Type

Exploration

### Collaboration Process Timeline

2020

### Partners

Full Spectrum Features  
Anonymous Film Festival

### Outcome

They chose not to merge because of what they learned during the collaboration before the merger.

# What does success

look like when Sustained Collaboration Network initiatives award an exploratory grant?

Sometimes success looks like a merger, shared back-office agreement, or new alliance that makes all organizations more sustainable and creates a more significant impact for the communities they serve. And sometimes, success means that both organizations walk away – recognizing that they would be better served by going it alone. That’s what happened during the exploratory phase for Full Spectrum Features.

Full Spectrum Features is a Chicago-based nonprofit film production company and distributor, committed to increasing diversity in independent film. In 2020, Full Spectrum Features was approached by “The Film Festival” (TFF) to acquire them after the nonprofit parent of TFF dissolved. Full Spectrum was initially interested because the acquisition would allow them to cultivate audiences, build relationships with filmmakers, expand their curatorial expertise, and have more significant opportunities for distribution and exhibition. Moreover, TFF had a more than 20-year track record and fit with Full Spectrum Feature’s commitment to celebrating films and filmmakers traditionally excluded from mainstream media.

## Exploring the Merger

To explore the relationship, Full Spectrum Features applied for a grant from the Mission Sustainability Initiative, a member of the Sustained Collaboration Network. The grant laid out a two-year timeline for the due diligence surrounding the merger with multiple phases, including (1) fiscal sponsorship and co-production of the 2-day film festival, (2) a feasibility and benefit assessment, (3) negotiation, (4) acquisition, and (5) integration. With that grant, they hired a principal consultant, Josh Chicoine, who had experience consulting and with festivals. Chicoine began by identifying each organization’s assets, shared values, and mission. Then, he helped both organizations to identify differences.

But to conduct due diligence for a film festival, there would need to be strict adherence to a timeline. Chicoine explained, “Festivals in general, and this festival in particular, is once a year. It’s a pop-up shop, and there are certainly critical dates that happen throughout the calendar year. We had an eye towards how we’re going to be able to leverage those critical dates.”

The first step of the process was co-presenting the film festival. This activity allowed Full Spec-

trum Features to examine operations and determine if a production company could support a once-a-year film festival. Eugene Park, co-executive director and founder, explained, “The entire process was built around co-presenting that iteration of the festival together. So, in a way, it was like, let’s go on a date before we get married.”

They learned on that date that they did not want to get married. Chicoine continues, “The systems on the festival side were really frantic, and that wasn’t well received on the Full Spectrum side . . . Eugene is very conscientious of his people’s time and the systems that he’s created so that no one feels overwhelmed. And the festival world is overwhelming. Your list is always longer than your ability to deliver, and that caused a rift, and people stopped talking to each other.”

Beyond the disorganization of TFF, Maggie Taft, a board member at Full Spectrum, remembers that the organizations’ values didn’t align. She explains, “behaviors experienced from TFF leadership by Full Spectrum personnel” meant the collaboration was dead in the water. The conclusion “was basically a feeling that like this film festival is an organization that doesn’t hold or practice the same values that Full Spectrum practices and holds.”

### Success Can Mean Walking Away

Rather than viewing it as a failed collaboration, Kate Piatt-Eckert, Mission Sustainability Initiative Director, views this exploratory grant as incredibly successful. “All the organizations involved got all the information they needed to make the best decision for their organization. And that’s what Mission Sustainability Initiative exploration grants are about: learning and truly exploring opportunities and potentials. It didn’t make

sense for Full Spectrum, but they might not have found what they did if they hadn’t gone through this process. So, the project itself was incredibly successful.”

Chicoine agrees. Full Spectrum and Park learned this wasn’t the right fit for them. But they also learned about how they will partner in the future. “From Eugene’s standpoint, I think he learned a bit about what he was and wasn’t willing to do to make some of his strategic goals come to life.”

As for Park, he is still optimistic about collaboration. He quipped, “Just because you have a bad date doesn’t mean you won’t date again.” Instead, this project left him with a healthy skepticism in the process. Eugene’s advice for other organizations considering a merger or asset transfer is to

“learn by doing a substantial project or program together with them because people can say whatever they want to make something happen. They can write things down on a piece of paper. But you really learn about someone’s actual values in practice through the decisions they make when there’s money at stake. There are real decisions to be made, not just hypothetical things.”

And just because two organizations apply for an exploratory grant, it doesn’t commit them to any action going forward. It only allows them to figure out if there is a match.



To learn more about the Mission Sustainability Initiative, visit [myforefront.org/msi](https://myforefront.org/msi) or email [msi@myforefront.org](mailto:msi@myforefront.org).

Sustained Collaboration Network

This case study was produced for the Sustained Collaboration Network by Michelle Shumate, Ph.D. of Social Impact Consulting.