

"How Sharing Services Can Help You Do More With Less"

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Polling Question #1

Current Shared Services

Children and Family Services Center

- ▶ Was created when Charlotte was booming, and nonprofits could not find decent, affordable office space.
- ▶ Began with nine (9) nonprofits deciding to co-locate
- ▶ The community thought leaders said they would support the capital campaign ONLY if the agencies would collaborate.

Collaboration Definition

Exchanging information, altering activities, sharing resources and enhancing the capacity of another for mutual benefit and to achieve a common purpose.

1992

- Arthur Himmelman,

Another Definition

Everyone brings their toys to the table, takes away their hands, and sits on them!

Polling Question #2

What Services Would you Share?

Areas of Collaboration

Agencies agreed to share:

- ▶ Space
- ▶ Programming
- ▶ Technology
- ▶ Administrative Services

Why is Sharing so Hard?

Differences in:

- ▶ Values
- ▶ Trust
- ▶ Power
- ▶ Money
- ▶ Control and Need for Control
- ▶ Also: Race, Class, Gender

Polling Question #3

Concerns about Shared Services

Space

- ▶ Agencies have their own office suite, and share meeting, training and Board rooms, as well as mail room, server room, lobby. Building maintained as Class A Office Space.
- ▶ Current rent is \$7 per s/f compared to market rate of \$19 per s/f
- ▶ We believe a conservative savings estimate is \$1M annually.

Shared Administrative Services

- (2003)
- ▶ New Building – 9 agencies
 - ▶ Technology – 9 agencies – the need was great and resources lacking infrastructure, hardware and support
- (2008)
- ▶ Finance/Accounting – 8 agencies*, 17 FTEs
 - ▶ Human Resources – 8 agencies*, .5 FTEs
- *Eventually 6 agencies joined HR and Finance

Technology

- Enterprise class Infrastructure built in as building was constructed:
- ▶ Wiring & Switches
 - ▶ Internet (7xT1)
 - ▶ Messaging Services (Email, VM, IM)
 - ▶ Phone System (Cisco VoIP)
 - ▶ Firewall and Spam Filter
 - ▶ Uninterruptable Power Supply
 - ▶ Back up solution
 - ▶ Microsoft Donation for all new Business Apps

Some Smart Volunteer Asked...

Can the agency's hardware run the new software?

- ▶ Answer? NO
- ▶ Solution? Everyone gets a new desktop computer and a replenishment program was created.

The next question was...

Who is going to keep all this up and running?

Solution: Joint purchasing of a support service contract. (Have since evolved to hybrid model and now to onsite staff.)

Benefits

Too many to list...took agencies from a barely functioning, woeful technological state to:

- ▶ Blazing bundled T1 internet access
- ▶ New computers every 4 years
- ▶ Business technology consultation
- ▶ Dependable back up system
- ▶ Help desk services 7a-7p
- ▶ Remote access to both email and agency data
- ▶ Wireless access for clients and volunteers
- ▶ Etc., etc., etc.

Costs

- ▶ None of the agencies had a technology budget
- ▶ All expenses were new
- ▶ All agreed to share in cost of each addition to plan
- ▶ Philosophy that no agency would “step back”
- ▶ \$3.75 per s/f for support and infrastructure, \$15 per desktop computer per month, \$35 per laptop per month.

Savings

- ▶ Most services did not exist, so few comps
- ▶ Phone charges went from approx. \$.12 per minute to less than \$.03, and our collective bill for 10 agencies is less than what the largest paid alone.
- ▶ Three agencies had dial up internet, cost per huge capacity increase drops steadily
- ▶ Bulk purchase of computers cost price reduced by half

Shared Finance/Accounting

- ▶ Single Chart of Accounts
- ▶ Blackbaud Financial Edge Software package
- ▶ Unique reporting process for each Finance Committee
- ▶ CPAs as controllers compared to primarily bookkeepers or staff accountants
- ▶ All now full fund, accrual accounting (AP/AR, Budget, Forecasting, Grant reporting, etc.)
- ▶ Audit & Form 990
- ▶ Financial consulting, modeling, special projects

Shared Finance/Accounting

- ▶ Savings for Finance funded the addition of HR Services which was seen as most pressing need for risk management.
- ▶ Approximately \$240,000 annually

"We are all only one lawsuit away from closing our doors!"

Shared HR Services

- ▶ Payroll and Benefits Administration
- ▶ Shared Health & Welfare Benefits
- ▶ Common Retirement Plan
- ▶ Common Personnel Policies including Time Off
- ▶ Common Compensation Schedules allowing cross agency Career Ladders
- ▶ Common, managed performance review process
- ▶ HR coaching/consulting re: challenging employees
- ▶ Recruiting
- ▶ Compliance and Risk Management

Shared HR Services – Savings

- ▶ Payroll Administration savings of 30%
- ▶ Health Benefits – \$400 per person per year with more robust benefits (e.g. STD, LTD)
- ▶ 401K – Reduced costs in administration and contribution
- ▶ EEOC and DOL Claims – (1 agency) went from 8 claims to 1 in same time period. That 1 was settled in favor of the agency.

Additional Savings

- ▶ Single auditor for Shared Services Agencies – collective savings of \$15000 annually.
- ▶ Single Benefits Broker – only one fee
- ▶ Single General Liability/Casualty Insurance – one flat fee savings (not yet determined)
- ▶ Single Postage Meter – reduced lease and supply cost
- ▶ AV Costs reduced due to shared equipment

Lessons Learned

Successful collaboration is based on:

- ▶ A true Shared Vision/Mission
- ▶ True Compromise – Relationships that allow all to share in Solutions and Success (Win/Win) with an understanding that at some point all must also give
- ▶ A leap of faith that it can really work!
- ▶ It helps to have a carrot and a stick

Polling Question #4

Enticement to Share

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