

# SHARED SERVICES THAT WORK

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## Surprise Findings from Charlotte-Mecklenburg Nonprofits

Prepared for:

Community Catalyst Fund of



FOUNDATION FOR THE CAROLINAS

Prepared by:

**TIDES**  
WHAT'S POSSIBLE

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## SECTION 1: INTRODUCTION

### **Community Need**

The recent economic downturn has been particularly challenging for nonprofit organizations in the Charlotte-Mecklenburg region. As a leader in the financial services industry, the Charlotte business community has seen significant changes in the last three years. At the same time, the downturn created both a high demand for the crucial services nonprofits provide and adversely impacted individual and corporate philanthropic giving as well as state and local government funding.

The Foundation For The Carolinas (FFTC) saw the coming crisis in the nonprofit sector and took steps to address the challenges head on. They established the Critical Needs Response Fund to meet the needs of organizations serving those hardest hit by the economic crisis. They also looked at the back-office operations of local nonprofits. FFTC, along with the Arts & Science Council and United Way of Central Carolinas, convened the Community Catalyst Fund, a funder collaborative that strives to create a more effective, efficient, and innovative nonprofit sector by supporting strategic mergers, innovative service models, partnerships, and collaborations among nonprofits.

### **Community Catalyst Fund Managed Services Organization Project**

The Community Catalyst Fund (The Fund) wanted to support coordinated back-office services that would enhance efficiencies and generate savings for nonprofits in the Charlotte-Mecklenburg region. Shared services have the potential to help nonprofits operate more efficiently and nimbly by concentrating operations functions with well-trained professionals and freeing up program staff to focus on their missions. Nonprofits across the country have been successful in sharing a wide range of infrastructure services including financial management, human resources, information technology support, purchasing, risk management, fundraising, marketing, and facilities management. In Charlotte-Mecklenburg, there have already been some successful experiences with shared fundraising, ticket sales, IT services and financial management.

Leaders from The Fund knew that in order to be successful and sustainable locally, shared services would require careful business planning. Nationally, the experience of nonprofits sharing back-office functions has not been a magic solution to reduce costs. Instead, the best shared services complement the mission-critical work of an organization with professional high-quality operations. They can significantly increase the sophistication of an organization's operations by increasing expertise and capacity. However, shared services leaders warn that shared staff cannot replace good leadership and management within a nonprofit organization.

The Fund wanted to test the viability of shared services in the Charlotte-Mecklenburg region, before moving forward with a large investment. The Fund chose Tides, a national leader in shared services and spaces, to conduct a comprehensive feasibility study for a Managed Services Organization to serve local nonprofit organizations. Tides staff tested the key hypotheses of the Community Catalyst Fund about nonprofit operations (described in the Feasibility Study Findings). What we found both confirmed and debunked preconceptions and led to unexpected outcomes. Instead of creating a potentially unsustainable new organization providing shared purchasing and IT services, the Community Catalyst Fund resources will be

supporting the expansion of existing local nonprofit service providers to deliver critical human resources management services and IT training and technical assistance.

## Goals

The Community Catalyst Fund chose a Task Force of local business and nonprofit leaders to lead the research on a potential Managed Services Organization (MSO). An MSO is an organization or program that provides purchasing or back-office functions such as the business processes of finance, procurement, human resources, payroll, legal work, benefits management, information technology, marketing or events management to multiple nonprofit organizations. The MSO Task Force identified three primary goals for this project:

- Provide affordable, quality back-office services for nonprofit organizations to increase their effectiveness.
- Deploy highly qualified professionals on back-office services so program staff can focus on their missions.
- Develop a financially sustainable shared service solution.

## Methodology

The Community Catalyst Fund leaders gained insight into the potential for shared services in Charlotte-Mecklenburg through the initial grant applications they received. In addition to supporting promising projects submitted in the grants process, The Fund saw an opportunity to explore a larger MSO project. Foundation For The Carolinas conducted a preliminary survey in early 2010 that demonstrated significant interest in shared services among the largest nonprofit organizations in Charlotte-Mecklenburg.

Taking the positive results from this first survey, the MSO Task Force asked Tides to conduct a comprehensive feasibility study. Based on national research on the core market for MSOs, the study focused on nonprofit organizations with annual budgets above \$500,000.

Tides chose four primary tools to conduct research on the viability of a potential Managed Services Organization in Charlotte-Mecklenburg.

- **Provider Interviews:** Tides conducted interviews with 12 national and 13 local managed services providers in order to understand their business models, identify best practices and ascertain their ability to serve Charlotte-Mecklenburg nonprofits.
- **Market Surveys:** Tides distributed a comprehensive market assessment survey to approximately 90 of the largest nonprofit organizations in the Charlotte-Mecklenburg region. We received 71 responses [78% response rate] indicating an ongoing interest in managed services.
- **Focus groups:** Tides facilitated four in-person focus groups with 18 organizations to better understand their operational capacity, satisfaction with current service providers and barriers to participating in managed services.
- **Participant Interviews:** Tides conducted one-on-one interviews with an additional 17 nonprofit organizations to explore nonprofit readiness to utilize managed services and test the reputation of current service providers.

Tides provided monthly updates on our research to the MSO Task Force in order to get their input for refining research questions and to identify relevant models for Charlotte-Mecklenburg. This dynamic

feedback loop was a critical part of the research process that allowed the research team to quickly shift directions and pursue new research opportunities as they arose. The timeline for that work was as follows:

MSO Project Research Timeline - 2010	Aug					Sep				Oct				Nov				Dec	
	1	2	3	4	5	1	2	3	4	1	2	3	4	1	2	3	4	1	2
Project Launch	█	█																	
National shared services provider interviews			█	█	█														
Nonprofit survey				█	█	█	█												
Local service provider interviews						█	█	█	█										
Focus groups						█	█												
Nonprofit interviews								█	█	█	█	█	█						
Analysis/initial findings										█	█	█	█						
Financial modeling														█	█	█	█		
Final Recommendations Report															█	█	█	█	█

## SECTION 2: FEASIBILITY STUDY FINDINGS

For this feasibility study, Tides was asked to test a number of assumptions and hypotheses about large and mid-size nonprofit organizations in Charlotte-Mecklenburg and how a managed services organization could serve them. We looked at the nonprofit demand for shared services, the market size, key features of preferred service providers, and the menu of shared service options. The research results fell into the categories identified below.

### Market Demand

An important first step in developing a sustainable model is determining whether shared services will fill a need in the community. In order to determine the demand for shared services, Tides asked Charlotte-Mecklenburg nonprofits comprehensive questions about their current operations, unmet service needs and willingness to consider shared services. We found that while the majority of organizations are interested in shared services, most are satisfied with their current service providers.

- Charlotte-Mecklenburg nonprofits are interested in shared services.**  
**True.** The FFTC survey conducted in early 2010 indicated that over 65% of large to mid-size nonprofits were interested in learning more about shared services for their organization. During this follow-up research, organizations remained curious about the ways they could work with their colleagues to share back-office functions. In fact, a number of local organizations have already had positive experiences with outsourced back-office support services.
- Shared Services will work best for mid-size nonprofit organizations.**  
**True.** The nonprofit survey included nonprofit organizations with annual budgets over \$500,000. The survey and focus group results in this study supported national research that identifies organizations with annual budgets between \$1,000,000 and \$5,000,000 as the most viable market for shared services. While organizations with smaller budgets often need back-office support, they do not typically have enough funds to pay for shared services. Large organizations over \$5,000,000 typically have enough resources and service demand to hire their own operations staff. A MSO could serve

interested organizations of all sizes, but the core participants are most likely to be mid-size organizations.

- Nonprofits are dissatisfied with their current operations and service providers.**  
**False.** In general, Charlotte nonprofits have very high satisfaction levels with their existing service providers. When asked about their satisfaction with quality, price, availability and responsiveness, more than 60% of nonprofits expressed satisfaction with their current providers. In some service areas, the satisfaction rates grew as high as 85%. In order for organizations to move to a shared services model, a very compelling case for increased efficiency, cost-savings, and ease of implementation would need to be made. Dissatisfaction with current providers, rather than just interest in alternatives, provides the incentive needed for nonprofits to change providers.

**Charlotte-Mecklenburg Nonprofits  
Current Provider Satisfaction**

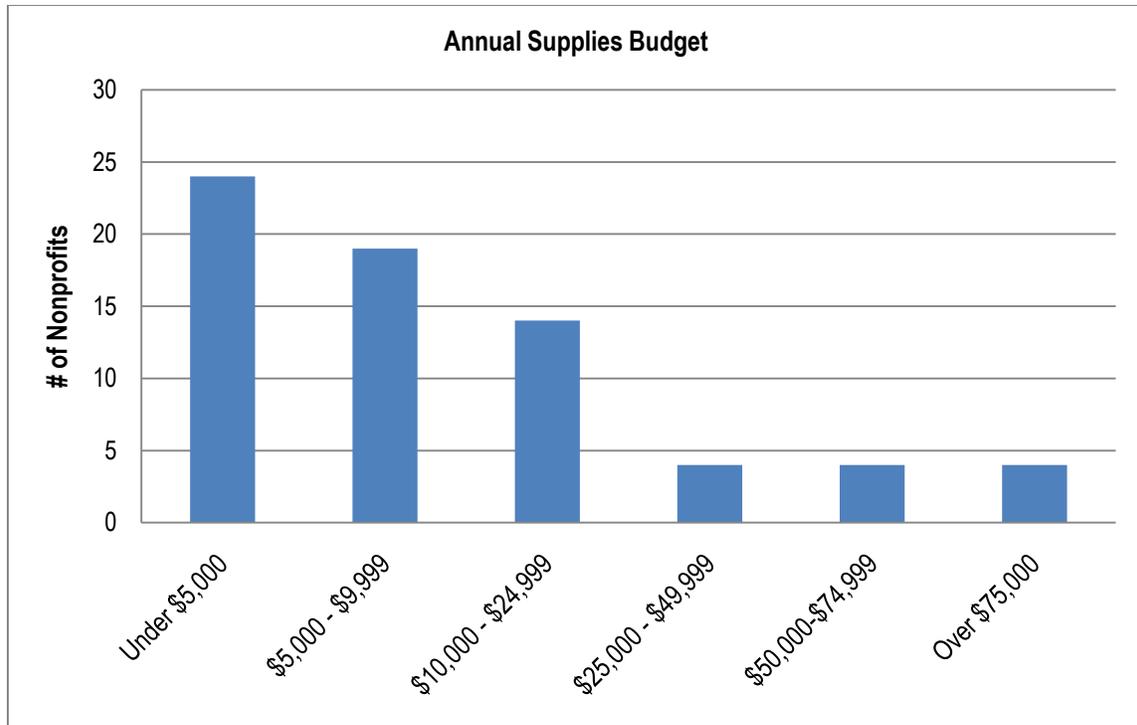
	Price	Expertise	Inventory	Availability/ Convenience	Customer Service
IT Service Provider	64%	74%		72%	78%
IT Equipment Supplier	59%		68%	68%	54%
Office Supplier	52%		90%	90%	59%
Furniture & Equipment Supplier*	55%		70%	70%	65%

\* Excludes participants who use primarily donated furniture and equipment

**Market Size**

- Nonprofit organizations are spending enough money on supplies, equipment and services that they would be attractive to vendors if pooled together.**  
**Probably false.** Nonprofit organizations are traditionally frugal stewards of their resources, always looking for ways to stretch every dollar they raise. In addition, general operating funds that support back-office functions have been scarce and some funding sources have even penalized organizations for investing in their organizational infrastructure. Unfortunately, this has left most community organizations woefully under-capitalized in crucial infrastructure support services. The current crisis has only exacerbated the problem as local organizations have further cut back on any expenses considered non-essential to their missions.

This study found that most mid-size nonprofit organizations are not spending significant resources annually on supplies, equipment and benefits. Even by combining their purchasing power, nonprofits do not represent a large enough market for service providers and suppliers to offer sufficient discounts to cover the shared service infrastructure. Successful shared services providers will need to be especially creative to find ways to take the limited resources nonprofits currently spend and create high-quality services that meet nonprofit needs.



**Criteria for Shared Services Impact**

- Managed services will offer nonprofit organizations immediate cost savings.**  
**Probably false.** Because most nonprofit organizations in the Charlotte-Mecklenburg region and nationally are already spending so little on their infrastructure support systems, there is almost no way to provide financially-sustainable shared services at a significant up-front cost savings. In addition there are typically start-up costs associated with switching providers and setting up new systems.
- Managed services can provide nonprofit organizations efficient, effective services for long-term cost savings.**  
**True.** Shared services do have a tremendous potential to provide significantly higher quality services for roughly the same investment many nonprofits are currently making. Like many investments in infrastructure, the best gains are seen over the long run. Over time, participating organizations will free up program staff time to focus on their missions, see increased staff morale leading to better staff recruitment and retention, avoid costly legal action and realize potential long-term cost savings.

**Shared Services Options**

In the original survey, nonprofit leaders expressed the highest interest in shared technology services, joint purchasing and insurance options. Tides gathered additional information to determine if, in addition to interest, there was an expressed need for alternative providers.

Our conclusion is that while shared purchasing and health insurance are attractive for nonprofits, the complex implementation of these programs presents a real barrier to execution. At the same time, we found significant opportunity for shared services in technology and human resources services.

## A. Supply and Equipment Purchasing

- **Nonprofit organizations do not have access to preferred purchasing discounts available to large companies.**

**False.** Currently over half of the nonprofit organizations surveyed participate in one or more discount purchasing programs. In addition, Charlotte-based nonprofit organizations have access to a wealth of donated equipment and furniture, some of the most expensive items to purchase. More than 75% of the surveyed nonprofits use donated furniture or equipment.

- **Joint supply and equipment purchasing would save nonprofit organizations money.**

**Probably false.** Sixty organizations expressed interest in joint supply and equipment purchasing. However, according to interviews with local and national service providers, intense national competition has driven down the price of traditional supplies so much that there are very low margins. In total, all of the surveyed nonprofit organizations together spend approximately \$1M annually on office supplies, \$740,000 on equipment, and \$1.1M on IT equipment. At that size it would be difficult to create the staffing structures needed for a joint purchasing program without eating up all of the savings from bulk purchasing discounts.

Specialized supplies and equipment used by subsectors of the nonprofit community may be an exception. For example, organizations that need significant building and construction supplies, food, health equipment or advertising space may be able to realize savings through bulk purchasing. A handful of organizations, including local colleges and universities and the blood bank already successfully participate in joint purchasing programs for their niche industry needs. Because only a limited number of nonprofits need these supplies, small partnerships or state-wide and regional collaborations would be a better way to manage these joint purchasing arrangements. See Next Steps for additional information.

## B. Information Technology

- **Nonprofit organizations do not have access to the technology tools they need to operate effectively.**

**True and false.** The surveys, focus groups and interviews uncovered wide variations in technology implementation. As basic computers have become more affordable, many organizations have invested in upgrading their hardware systems over the last 3-5 years. In addition, more than half of the responding organizations utilize services such as Techsoup.org to get software at up to 95% discounts. There are still a handful of organizations using outdated equipment and applications, but they seem to be the minority. And some sector-specific tools, such as event ticketing programs or large-scale map printers, remain cost-prohibitive for almost all organizations.

- **Many nonprofit organizations are struggling to effectively use technology tools.**

**True.** Even with updated technology systems, many nonprofits feel their staff is not trained well enough to take advantage of the tools they do have. With Charlotte-Mecklenburg nonprofits utilizing a wide variety of applications, it is challenging to get staff training on a specific product, especially if an application has been customized at all for an organization. It has not been cost-effective for nonprofits to try to get one-on-one training or even training for a few staff. The result is a tremendous amount of

staff time and energy spent learning applications on their own with little guidance or support. Alternatively one staff person (who usually has a non-IT job) takes the training and trouble-shooting responsibilities for their whole organization.

Nonprofit leaders are also frustrated by mission-critical applications, such as client relationship management systems and financial programs, which do not integrate with each other and the expense of customizing solutions to meet their needs. Even a switch to cloud-based applications can sometimes require costly configuration and staff time learning a new system.

### **C. Employee benefits**

- **Nonprofit organizations want lower-priced employee benefits.**

**True.** Health insurance cost increases are the biggest concern of nonprofits in this study. Over 80% of the organizations surveyed expressed an interest in joint health insurance purchasing. Many organizations believe their brokers are getting them the best deals possible, but have still seen single year increases up to 25%.

Even in the current economy, nonprofits have made a commitment to maintaining employee benefits. Health insurance plans and retirement benefits have been protected as much as possible during budget cuts. Because nonprofit organizations often cannot offer competitive salaries with the private or public sector, many nonprofit leaders feel that generous benefits allow them to recruit and retain quality staff. While price is one important factor for nonprofit leaders considering employee benefit plans, they are also looking for flexibility and choice for their employees. Study participants would expect a high level of participation in decision-making about any shared employee benefits programs.

- **Nonprofit organizations can create a pooled health insurance option to save money.**

**False.** Pooled health insurance options have become much more heavily regulated in the last five years. While it is still legal in North Carolina to create a shared health insurance program, Tides, working with national and local brokers, could find no insurance carrier willing to underwrite such a policy.

Even if a carrier could be found, there are other challenges in creating shared health insurance programs. One way that an insurance pool can save an organization money is by creating a bigger staff pool to mitigate the effects of having a small staff where one “high-risk” member can significantly raise insurance premiums. Adding more people to a diverse pool should even out the high risk profile of a few people. However, in practice, insurance carriers are likely to individually rate each organization for risk, undermining the intended benefit of a shared insurance program. In addition, organizations with younger, “healthier” staff members can get lower premiums on their own, instead of joining a group health plan. Therefore the group health plans tend to attract only organizations with a higher proportion of “high-risk” staff, driving up the insurance premiums, and saving little, if any, money.

In order to create a single shared insurance option, such as the one offered by the Charlotte-based Children and Family Services Center, the participating organizations need to demonstrate an

extremely close daily relationship in their operations that goes beyond shared health insurance benefits.

#### D. Human Resources

- **Nonprofit organizations have adequate human resources management capacity.**  
**Mostly false.** While there are some exceptions, many of the nonprofit organizations in this study feel acutely vulnerable in human resources management. Payroll services are often handled by an external vendor, but other HR functions have often been added to the job description of an already overworked staff person such as the executive director, office manager, or finance manager. Rarely do mid-size organizations have a staff member with specialized training or skills in HR. Organization leaders told Tides researchers that they feel very vulnerable in this area, fearing that just one mistake could significantly impact their organizations. Yet, few have the resources to hire a full-time HR director or manager.

### SECTION 3: SHARED SERVICES SOLUTIONS

The research team incorporated its findings on provider satisfaction, unmet needs, critical pain points, and potential for viable shared services in Charlotte-Mecklenburg. We found that two unexpected operations needs provide the greatest opportunity for shared services, and the shared services solution is already close to home.

#### Viable Shared Services

Based on the input of study participants, the Tides research team identified some top operations challenges facing Charlotte-Mecklenburg nonprofits that could be best addressed with a shared services strategy. Incorporating feedback on current provider dissatisfaction, unmet needs, critical pain points, and potential for viable shared services, the following services stood out:

- Human resources management support
- Customized technology training and technical assistance

#### Shared Services Providers

Once the most viable shared services had been identified, the research team looked at the best way to provide those services. The research explored a range of options and developed financial models for five potential shared services structures. In addition, the team tested the following assumptions about potential shared services providers.

- **Nonprofits will easily switch to another service provider who offers a better price or higher quality service.**  
**False.** In fact, local and national shared services providers stated that nonprofit organizations are generally very loyal to their existing service providers. On average, there is a 3-6 month decision-making process for nonprofits to join shared services organizations. That time can stretch up to a year or more, especially when the service provider is new or begins offering a new service.

With high satisfaction rates for service providers in almost all categories, Charlotte-Mecklenburg nonprofit organizations will likely require very compelling reasons to switch service providers. In

addition to price and quality, local nonprofits want customization and flexibility in managed services. They want to ensure that they only pay for the services they are using, and that those services meet the specific needs of their organization. In order to entice many nonprofits to try the shared services models, providers will need strong local reputations, and incentives to help defray the costs of switching to new services.

- **A new managed services organization is the most efficient way to provide shared services in Charlotte-Mecklenburg.**

**False.** Our research identified several successful models of financially sustainable managed services organizations across the US and Canada providing shared services to regional nonprofit organizations. Successful MSOs often grow organically from a small group of local nonprofit organizations working together to create a model before expanding to the broader community. The organizations chosen to participate in this study are similar in budget size to the clients of these successful shared services organizations.

Financially self-sufficient MSOs typically provide a variety of services, including financial management, human resources, purchasing, IT support services, risk management, and even facilities management. In addition to creating a diverse revenue source for the service provider, many MSOs incorporate multiple services to increase impact for the nonprofits they serve.

In Charlotte-Mecklenburg, a new MSO would face a number of challenges. First, a new organization would need time to develop its reputation and experience, both cited as important criteria by nonprofits in their vendor selection. A typical MSO will need 3-5 years of philanthropic support before it can reach self-sufficiency.

Second, the number of mid-size nonprofit organizations in Charlotte-Mecklenburg may not be large enough to support the creation of a new MSO. The fees an MSO charged for its services would need to cover the direct services plus administrative expenses for a new organization. It was challenging to create a realistic sustainable financial model for a new MSO in Charlotte-Mecklenburg.

Finally, the Charlotte-Mecklenburg region has some established shared services providers who would provide significant competition for a new MSO, including commercial businesses, NPower Charlotte Region, Children and Family Services Center, and a number of sector-specific purchasing programs. Instead of creating a new potentially unsustainable organization, the MSO Task Force decided to focus on leveraging the existing local expertise to try to meet the needs of the area's nonprofits.

- **Local companies can provide shared services for Charlotte-Mecklenburg nonprofits.**

**True and false.** The research team looked at options to leverage the strong Charlotte business community in two ways. First, we talked to procurement officers at three of the area's largest companies to see if they could leverage their discounted purchasing agreements with vendors for the local nonprofit community. Corporate partners are interested in working with the nonprofit sector, but face some regulatory and proprietary limitations on this type of collaboration.

Researchers also spoke to commercial shared services providers, especially in the human resources sector, to determine their interest and ability to better serve Charlotte-Mecklenburg nonprofits. The potential providers included professional employer organizations (PEOs) and administrative service organizations (ASOs). Depending on the structure, these experienced providers can offer health insurance benefits and a very comprehensive human resources function. In fact, a handful of local nonprofit organizations are already using PEOs or ASOs, included in the Additional Information section of this report.

While they work well for some organizations, these providers are not a good match for the broader nonprofit sector. The commercial PEOs and ASOs we interviewed have restrictions on types of organizations they accept, including many social services organizations and organizations using significant volunteer resources. Some of the commercial providers also had very limited interest in serving the nonprofit community. Finally, working with single-focus commercial providers limits the ability for a multi-service provider to develop over time.

- **Local nonprofit service providers could expand their services to serve more Charlotte-Mecklenburg nonprofit organizations.**

**True.** With a couple of nonprofit shared services providers already operating in Charlotte-Mecklenburg, the researchers recommended investing in those providers who already have experience in the region. In this model, two local nonprofit managed services providers, Children and Family Services Center and NPower Charlotte Region, can expand their services to meet the needs of more nonprofits. These providers have built local reputations and expertise working with nonprofits so we recommended expanding their offerings over time and providing incentives for local organizations to switch to their services. Incentives may include subsidized membership fees, transition grants, and project support funds.

NPower Charlotte Region (NPower) is a nonprofit technology consultancy working exclusively with other 501(c)(3) organizations to help them unleash the power of technology to affect change for the common good. NPower would expand IT training and technical assistance programs they have piloted locally. This model supports the expansion of successful services developed organically by local organizations. These service providers can scale up their services over time as demand grows and expand into other service lines over time as needed.

Children and Family Services Center (CFSC) is a collaboration of ten agencies working together to offer convenient access to assistance and services for Charlotte-Mecklenburg families. In their innovative model, the organizations share a single facility and back-office services, as well as develop joint programming. CFSC would offer to additional community organizations the human resources management services it currently provides for six nonprofits.

### **Community Catalyst Fund Support**

The MSO Task Force incorporated the analysis from the research team and selected funding recommendations to support the expansion of NPower and CFSC's services. On December 8, 2010, the MSO Task Force presented the research findings and recommendations to the Community Catalyst Fund. The Fund approved a grant of \$264,800 for NPower Charlotte Region to expand its training and technical

assistance services. The Fund also approved a \$50,000 grant for CFSC to conduct additional feasibility and create a comprehensive business plan for their new services.

## **Shared Services Benefits**

### **A. Information Technology Training and Technical Assistance**

Based on the study findings NPower developed a series of training and technical assistance programs to serve the needs of Charlotte-Mecklenburg area nonprofit organizations.

- **User groups:** NPower will convene quarterly meetings of up to 20 nonprofit professionals who are all using a specific application, (for example Salesforce, Raiser's Edge or Quicken), or focused on a type of technology tool (social media or online marketing) to share best practices and provide peer-to-peer learning opportunities.
- **Onsite coaching:** This program, already successfully piloted in Charlotte, will match a corporate volunteer with a nonprofit staff member to provide a one-on-one customized two-hour coaching session on a specific technology tool.
- **Technology Capacity-Building Projects:** Through this program, NPower will support unique, game-changing technology projects that increase nonprofit effectiveness and efficiency. Projects could include an online dashboard for reporting vital data, touch-screen visitor kiosks, distributed medical records access, or critical support systems integrations. NPower will administer matching grants for this program and complete the technical work.

These programs were designed to meet the specific needs of nonprofit organizations gathered in this study. They build on tested peer-learning and problem-solving models and cost-effectively engage trained corporate volunteers to provide expertise. Focused on nonprofit-specific applications and technology uses, these programs identify best practices and top technology solutions while providing cost-efficient ongoing professional development and learning opportunities.

### **B. Human Resources Management**

Children and Family Services Center is exploring opportunities to expand their successful human resources support for organizations in their shared space to additional nonprofit organizations outside their building. Participating organizations would receive core human resources services such as payroll, policies development and employee management, with additional services available as needed such as new staff recruitment and compensation studies. This new service would still allow participating organizations to maintain their current employee benefits providers.

These shared human resources services provide local nonprofits with a trusted team of HR advisors who know the nonprofit sector to help them mitigate risk. CFSC can provide high-touch services for organizations that need extra support in their human resources management. Participating organizations will utilize a common payroll service, but be able to keep their current employee benefits providers. Nonprofit leaders will also have access to ongoing HR training specifically designed for nonprofits.

## **SECTION 4: NEXT STEPS & FUTURE CONSIDERATIONS**

**New Services**

NPower is currently preparing its new training and technical assistance programs to be launched in 2011. Children and Family Services Center is actively conducting a feasibility study to determine how they could deliver high-quality human resources services for Charlotte-Mecklenburg nonprofits.

**Future Research**

As the new economic reality affects the social change sector across the country, more and more nonprofits are experimenting with shared services and managed services organizations. Best practices and successful models are continuing to emerge as the field grows. The research team encourages FFTC, the shared services providers, and local nonprofits to continue to stay connected to this growing movement to find solutions that meet your local needs.

As this research highlights, growing health care expenses are a pressing concern for the nonprofit sector. As health care reform is instituted, nonprofit leaders should continue to watch for new opportunities to cost-effectively provide quality health coverage, including potential shared purchasing programs.

In addition, there are a number of informal service solutions that could be successful in Charlotte-Mecklenburg but require additional research and local leadership. Shared financial audit services and niche purchasing services are two potential areas for more informal collaborations. We encourage leaders in relevant sectors to talk to peer organizations locally and regionally to identify opportunities to pool resources and save money. Finally, there are a number of new national shared services providers to watch as they develop experience working with nonprofit organizations, including Easy Office, Non-Profit Purchasing Group and CCA for Social Good.

## ADDITIONAL INFORMATION

### Study Participants

The research team thanks the following organizations for sharing their time and experiences for this study.

#### ***Charlotte-Mecklenburg Area Nonprofit Organizations***

Actor's Theatre of Charlotte  
Ada Jenkins Center  
Arts & Science Council  
Bethlehem Center Charlotte  
Blumenthal Performing Arts Center  
Catawba Lands Conservancy  
Charlotte Center City Partners  
Charlotte Children's Choir  
Charlotte Community Health Clinic, Inc.  
Charlotte Emergency Housing  
Charlotte Museum of History  
Charlotte Rescue Mission  
Charlotte Speech and Hearing Center  
Charlotte Symphony  
Charlotte-Mecklenburg Housing Partnership  
Charlotte-Mecklenburg Public Broadcasting Authority (WTVI)  
Child Care Resources, Inc.  
Children's Theatre of Charlotte  
Community Blood Center of the Carolinas  
Community Culinary School of Charlotte  
Community Health Interventions & Sickle Cell Agency, Inc  
Community School of the Arts  
Council for Children's Rights  
Crisis Assistance Ministry  
Davidson College  
Florence Crittenton Services  
Foundation For The Carolinas  
Freedom School Partners, Inc.  
Friendship Trays  
Girl Scouts, Hornets Nest Council  
Habitat for Humanity of Charlotte, Inc.  
Harvey B. Gantt Center for African-American Arts+Culture  
Helping Empower Local People, Inc.  
Historic Latta Plantation  
Hope Haven, Inc.  
Hospitality House of Charlotte  
Jewish Family Services of Greater Charlotte  
Johnson C. Smith University  
Junior Achievement of the Central Carolinas  
Latin American Coalition  
Leadership Charlotte  
Levine Museum of the New South  
LIFESPAN  
Loaves & Fishes  
Love INC of Mecklenburg County  
Make A Wish Foundation of Central and Western North Carolina  
McColl Center for Visual Art  
Mecklenburg City Council, Boy Scouts of America  
Men's Shelter of Charlotte  
National Children's Oral Health Foundation  
NC MedAssist  
Nevins, Inc.  
North Carolina Dance Theatre  
North Carolina Music Educators Association  
Opera Carolina  
Push America  
Queens University of Charlotte  
Right Moves for Youth, Inc.  
Room at The Inn  
Second Harvest Food Bank of Metrolina  
St Peter's Homes  
Substance Abuse Prevention Services  
The C. W. Williams Community Health Center  
The Lynnwood Foundation  
The Mint Museums  
The Shepherd's Center of Charlotte, Inc.  
The Urban Restoration, Inc.  
Thompson Child & Family Focus  
United Way of Central Carolinas  
Urban League of Central Carolinas  
Urban Ministry Center  
YMCA of Greater Charlotte  
YWCA of the Central Carolinas

### **National Shared Services Providers**

#### **ADP Total Source**

Multiple locations  
Eric Harrison  
[www.adptotalsource.com](http://www.adptotalsource.com)

#### **ADP Resource**

Multiple locations  
[resource.adp.com](http://resource.adp.com)

#### **Back Office Cooperative**

Chicago, IL  
Bryan Preston  
[www.backofficecoop.com](http://www.backofficecoop.com)

#### **CCA Global**

Manchester, NH  
Denise Sayer & Laurie Cochran  
[www.ccaglobalpartners.com](http://www.ccaglobalpartners.com)

#### **CAN Insurance Services**

Los Angeles, CA  
Meredeth Clark  
[www.canonprofits.org](http://www.canonprofits.org)

#### **Easy Office**

Boise, ID  
Jeff Russell  
[www.youreeasyoffice.com](http://www.youreeasyoffice.com)

#### **The Foraker Group**

Anchorage, AK  
Dennis McMillan  
[www.forakergroup.org](http://www.forakergroup.org)

#### **GroundWork group**

Columbus, OH  
John Hrusovsky  
[www.groundworkgroup.org](http://www.groundworkgroup.org)

#### **The HR Collaborative**

Pittsburgh, PA  
Rosa Davis

#### **Lumity**

Chicago, IL  
Kara Kennedy  
[www.lumity.org](http://www.lumity.org)

#### **MACC Commonwealth**

Minneapolis, MN  
Stan Birnbaum  
[www.mcwmn.org](http://www.mcwmn.org)

#### **The Mission Center L3C**

St Louis, MO  
Chris Miller  
[www.missioncenterl3c.com](http://www.missioncenterl3c.com)

#### **Non-Profit Purchasing Group**

Del Mar, CA  
Dan Engel  
[www.nonprofitpurchasinggroup.org](http://www.nonprofitpurchasinggroup.org)

#### **npServ**

Ann Arbor, MI  
Neel Hajra  
[www.new.org](http://www.new.org)

#### **PHMC's Targeted Solutions**

Philadelphia, PA  
Amy Friedlander  
[targetedsolutions.phmc.org](http://targetedsolutions.phmc.org)

#### **TriNet**

San Leandro, CA  
[www.trinet.com](http://www.trinet.com)

#### **United Community Services Co-op**

Vancouver, BC  
Tim Beachy  
[www.ucscoop.com](http://www.ucscoop.com)

***Local Service Providers***

**Arts & Science Council**

Laura Belcher  
[www.artsandscience.org](http://www.artsandscience.org)

**Beacon Technology**

Karl Burrows  
[www.yourbeacon.com](http://www.yourbeacon.com)

**CarolinaTix**

Carl Bailey  
Blumenthal Performing Arts Center  
[www.carolinatix.org](http://www.carolinatix.org)

**Children & Family Services Center**

Peggy Eagan  
[www.childrenfamily.org](http://www.childrenfamily.org)

**CNP Technologies**

[www.cnp.net](http://www.cnp.net)

**The Employer's Association**

[www.employersassoc.com](http://www.employersassoc.com)

**Morgan Stanley Smith Barney**

Andy Young  
[www.smithbarney.com](http://www.smithbarney.com)

**North Carolina Center for Nonprofits**

Sarah Weissberg  
[www.ncnonprofits.org](http://www.ncnonprofits.org)

**NPower Charlotte Region**

Christopher Meade  
[www.npowercharlotteregion.org](http://www.npowercharlotteregion.org)

**Premier Inc.**

Jen Algire  
<http://www.premierinc.com>

**United Way of Central Carolinas**

Russell Schwartz  
[www.uwcentralcarolinas.org](http://www.uwcentralcarolinas.org)

**Woolard Financial Advisors**

Bill Woolard  
[www.woolardfinancialadvisors.com](http://www.woolardfinancialadvisors.com)

***Local Corporate Partners***

**Bank of America**

Eadie Ferretti  
[www.bankofamerica.com](http://www.bankofamerica.com)

**Duke Energy**

Sheri Straw  
[www.duke-energy.com](http://www.duke-energy.com)

**Wells Fargo**

Scott Berrier  
[www.wellsfargo.com](http://www.wellsfargo.com)

***Human Resources and Employee Benefits Advisors***

**National Association of Professional Employer Organizations**

[www.napeo.org](http://www.napeo.org)

**Employer Services Assurance Corporation**

<http://www.esacorp.org>

**McGuireWoods**

Robert Chambers  
[www.mcguirewoods.com](http://www.mcguirewoods.com)

## **Wells Fargo Insurance Services**

Dorothy McCorkindale

wfis.wellsfargo.com

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**Cefola, Jackie, Roxanne Hanson and China Brotsky.** Shared Services: A Guide to Creating Collaborative Solutions for Nonprofits. San Francisco: The NonprofitCenters Network, 2010, 59 pages.

**Leach, Mark.** Outsourcing Back-Office Services in Small Nonprofits: Pitfalls and Possibilities. Washington, DC: Management Assistance Group and Eugene and Agnes E. Meyer Foundation, 2009, 44 pages.

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**Winer, Michael and Karne Ray.** Collaboration Handbook: Creating, Sustaining, and Enjoying the Journey. Saint Paul, Minn.: Amherst H. Wilder Foundation, 1994, 192 pages.

**Yankey, John A., Amy McClellan and Barbara Wester Jacobus.** Nonprofit Strategic Alliances Case Studies: Lessons from the Trenches. Cleveland, Ohio: Mandel Center for Nonprofit Organizations, 2001, 75 pages.

### **About Foundation for The Carolinas**

Established as a community foundation, Foundation For The Carolinas is a nonprofit corporation created by and for the people of the Carolinas. We are here to help individuals, families, nonprofits and corporations make a positive impact on their communities. As a public charity, the Foundation offers favorable tax treatment for gifts and a variety of giving methods to help people achieve their charitable goals. Today, the Foundation is one of the largest community foundations in the Southeast and among the top 10 in the United States.

### **Community Catalyst Fund Committee Members**

Cathy Bessant, Bank of America

Andy Elliott, PricewaterhouseCoopers

Anna Spangler Nelson, CD Spangler Foundation and The Wakefield Group

Gene Cochrane, The Duke Endowment

James Howell, Myers Park Methodist Church

Tom Lawrence, The Leon Levine Foundation

Howard Levine, Howard Levine Foundation Fund and Family Dollar

Joan Lorden, University of North Carolina Charlotte

Susan Patterson, The John S. and James L. Knight Foundation

G. Patrick Phillips, Bank of America (retired)

Michael P. Rizer, Wells Fargo

Judy Schindler, Temple Beth El

Curt Walton, City of Charlotte

Eulada Watt, Community Volunteer

Richard "Stick" Williams, Duke Energy

### **About the Author**

**Roxanne Hanson**, Director of Education and Consulting, leads Tides shared space and services technical assistance, project consulting, educational programs, and product development through The NonprofitCenters Network. Prior to joining Tides, Roxanne spent twelve years working in the national and international nonprofit community based in Washington, DC. She has provided fundraising, training, program and planning consultation for both large and small nonprofit organizations. She has been an active board member of community arts organizations and served as a volunteer management trainer.

### **About the Research Team**

**China Brotsky**, Senior Vice President at Tides, joined Tides in 1990 as Chief Financial Officer. During her tenure at Tides, China managed the restoration and development of the Thoreau Centers for Sustainability in San Francisco and New York. China also co-founded and directs The NonprofitCenters Network. She has lectured and consulted nationally on the creation and operation of nonprofit facilities. She has also served on capital grants panels evaluating nonprofit capital proposals. China also served as the founding Executive Director of Groundspring.org, a nonprofit internet tools provider. China is a member of the board of directors of Community Investment Support Fund. She is a CPA in the state of California.

**Shelley Hamilton, Executive Director, MarinSpace.** After spending more than 10 years as a consultant in both the Nonprofit and Information Technology sectors, Shelley Hamilton joined MarinSpace in 2003 as its first Executive Director. Prior to joining MarinSpace, Shelley was founder and principal of NetCentric Designs, a business strategy, team facilitation, and organizational design firm. She has over 15 years experience working in the emerging field of Multi-tenant Nonprofit Centers and has facilitated strategic planning, organizational development, and program design projects for the Thoreau Center for Sustainability, Fort Mason Center, The Marin Farmers' Market, The Marin Community Foundation, the United Way, and others. Shelley is a founding board member of The NonprofitCenters Network and was the lead project consultant for the Network's first three national conferences. She has consulted and presented on the subject at workshops and conferences across the country. Shelley is also currently a Planning Commissioner for the town of Fairfax.

**Rosanne Stead** joined Tides in 2004 as the Regional Director for Tides Center; in 2005 she initiated the Governance program and became Governance Program Director in 2007. Previous to Tides, Rosanne taught English to factory workers in Italy; managed an independent bookstore; was the first Executive Director of the ATHENA Foundation, an international nonprofit honoring exceptional businesswomen mentors; established a gynecologic oncology practice with her brother, a cancer surgeon; and served as the executive director of a community development nonprofit. She spent years as president of a homeless shelter board, as city planning commissioner, as a capitol city chamber of commerce board member, and as vice chair of a downtown development authority. Rosanne holds a BA in psychology, sociology, and anthropology from Michigan State University and a Masters degree in urban studies from the University of Chicago.

### **About Tides**

Tides is a values based, social change platform that leverages individual and institutional leadership and investment to positively impact local and global communities. Tides works at the heart of today's most critical issues, supporting grantees and programs that are core to our country's nonprofit infrastructure and social service delivery. We work in partnership with people whose work confronts issues like global warming, AIDS treatment and prevention, and economic disparity. Bringing together people, resources, and innovation, Tides is a convener and connector for those in our community and beyond.

Tides provides fiscal sponsorship for over 230 groups across the country, operates and supports green nonprofit centers, and grants millions each year to charitable organizations across the globe. Tides actively promotes change toward broadly shared economic opportunity, robust democratic processes and the opportunity to live in a healthy and sustainable environment where human rights are preserved and protected. Founded in 1976, we partner with forward-thinking philanthropists, foundations, activists and organizations to make the world a better place.