

Seven Costly Facility Errors Non-Profits Make



- 1 Not being clear on the full need:** Issues of size, footprint, functionality, costs and location are all significant but are weighed differently for each organization. Only a careful internal assessment of space needs can clarify what is actually needed! This is where the search must begin, and only landlords who start with an assessment of your true internal needs are the ones to whom you should be speaking.

Above all, we understand that a non-profit CEO is constantly conscious of funding flow to the organization and needs to extract value for every dollar. We understand that funding challenges at times can be overwhelming, so getting the right space at the right price is key!

- 2 Thinking of rental space as a commodity:** Space to house your organization is strategic and mission critical. Your office space is not a commodity. A good landlord does not think of their property as a commodity, and neither should you. Commoditization reduces our organizations to dollars per pound, dollars per hour, dollars per sf, etc. Quality non-profits and quality landlords have a bias for being value-creators! The key is to find a value-price balance!

- 3 Paying too little for rent and too much for making it tolerable:** All non-profits fear paying too much for rent. It feels like a sunk cost at times. And yet, office rent is typically a fraction of the payroll, yet without space to work together and serve constituents there is really no 'face' to the organization.

When a non-profit selects too small of a space or an inefficient layout for the sake of saving a few dollars, there will be an offsetting cost in decreased effectiveness, lower morale and impaired mission.

- 4 Dreaming about ownership:** Ownership has its advantages for some organizations, particularly large, national organizations for whom profile and presence and a sense of permanence are key optics for their constituencies.

The greatest argument seems to be that of building capital, but the hidden costs of office building ownership can be daunting. One of our large non-profit tenants, having considered purchase of their own office building, has chosen instead to continue renting with us and is investing capital capacity into residential group homes. This is a terrific way to 'invest' in their context.

(Write to us for our free report on Owning vs. Renting Office Space.)

5 Mishandling the involvement of the Board: Some CEOs feel the whole process of office locating must be left with the Board. Now, we realize that some organizations have policy boards and others have hands-on action boards, so there is that distinction. However, in both cases it is the CEO who should take the lead at the front end.

Years ago, we involved Board members from out of town to check office spaces for a potential move of the national non-profit we directed at the time. It was a disaster. No one could agree on what was needed. Boy, did we learn from that! Two years later we put a new space under contract conditional on the acceptance of the Board. It forced us to do all the homework and research needed and to build our case ahead of time. Guess what happened? They were delighted and immediately approved the proposal because they saw that we honored their role without question! If you are the CEO of your organization, then lead.

6 Missing the opportunity for public awareness with a move: Most non-profits make their moves without any sense of using the change as an opportunity to raise the sights for their vision, invite support for the move and mobilize new funding sources.

A move is a signal of change, a shift in energy and with best hopes of greater impact. Bringing donors, stakeholders, clients and the public at large into this is rarely unwarranted! Someone apart from the CEO and move coordinator should be handling the PR potential for the move.

7 Poor positioning in front of your stakeholders: A move is an opportunity to announce to the world and redeploy your vision for a preferred future together with staff, donors, suppliers, Board, etc.! Communicate. Communicate. Communicate! A move of your organization's offices is a transformational event for your organization. Don't let it be a mundane physical thing!

To arrange a casual chat to discuss your facility dreams and needs, please contact Ross at ross@thefocalpointgroup.com or call him at 519. 851-0325.