



# **Illuminating Opportunities for Non-Profit Organizations**

6 Cost-Optimization Strategies to Consider

As non-profit organizations continue to adapt to the ever-changing state of today's global economy, a key practice for ensuring overall sustainability is through cost management. While it may be challenging to depart from conventional approaches, the most difficult part is actually making the tough decisions that will help organizations build resilience in a fast-paced and disruptive economy.

As a leader of a non-profit organization, you work tirelessly to advance your causes despite tight budget constraints. It's crucial for your organization to implement cost-saving strategies that align with your goals and ethics. Through astute financial planning and strategic decision-making, your non-profit can amplify its impact and extend the reach of its funding. Leveraging historical stability and pooled knowledge, your non-profit can fortify its financial foundation.

Below, we present six actionable cost-saving strategies designed to support non-profit leaders in their ongoing efforts to manage budgets more effectively and channel saved resources back into their mission-critical activities.





## 1 Streamline Operations Through Technology

In an era where digital transformation is vital, investing in technology can lead to considerable long-term savings.

From adopting a forward-thinking approach to technology investments, leaders can ensure their organizations are positioned to thrive in the dynamic business environment of tomorrow.

### Ask yourself:

- Are you overpaying for your software licenses?
- Are you leveraging cloud technology?
- Are your phones and internet services optimal to support your organization?

## 2 Sustainable Procurement

As sustainability continues to rise on the global agenda, it is becoming increasingly important to align with the evolving values of shareholders, customers, and employees.

The challenge is that most of the impact and risk is within the supply chain, putting sustainable procurement practices in place is becoming imperative. Discover how you can improve your social and environmental impact by adopting a more ethical and sustainable procurement strategy today.

Implementing eco-friendly practices goes beyond the moral benefits; it is also cost-effective. Cutting down on paper use, optimizing energy consumption, and recycling can lead to substantial savings.

## 3 Review contracts

It's quick and convenient to renew annual contracts automatically for services ranging from insurance to mobile phones to cleaning. But if your non-profit does that then it is almost certainly paying over the odds for these services.



That's because many organisations take advantage of their customers' loyalty to keep pushing prices up.

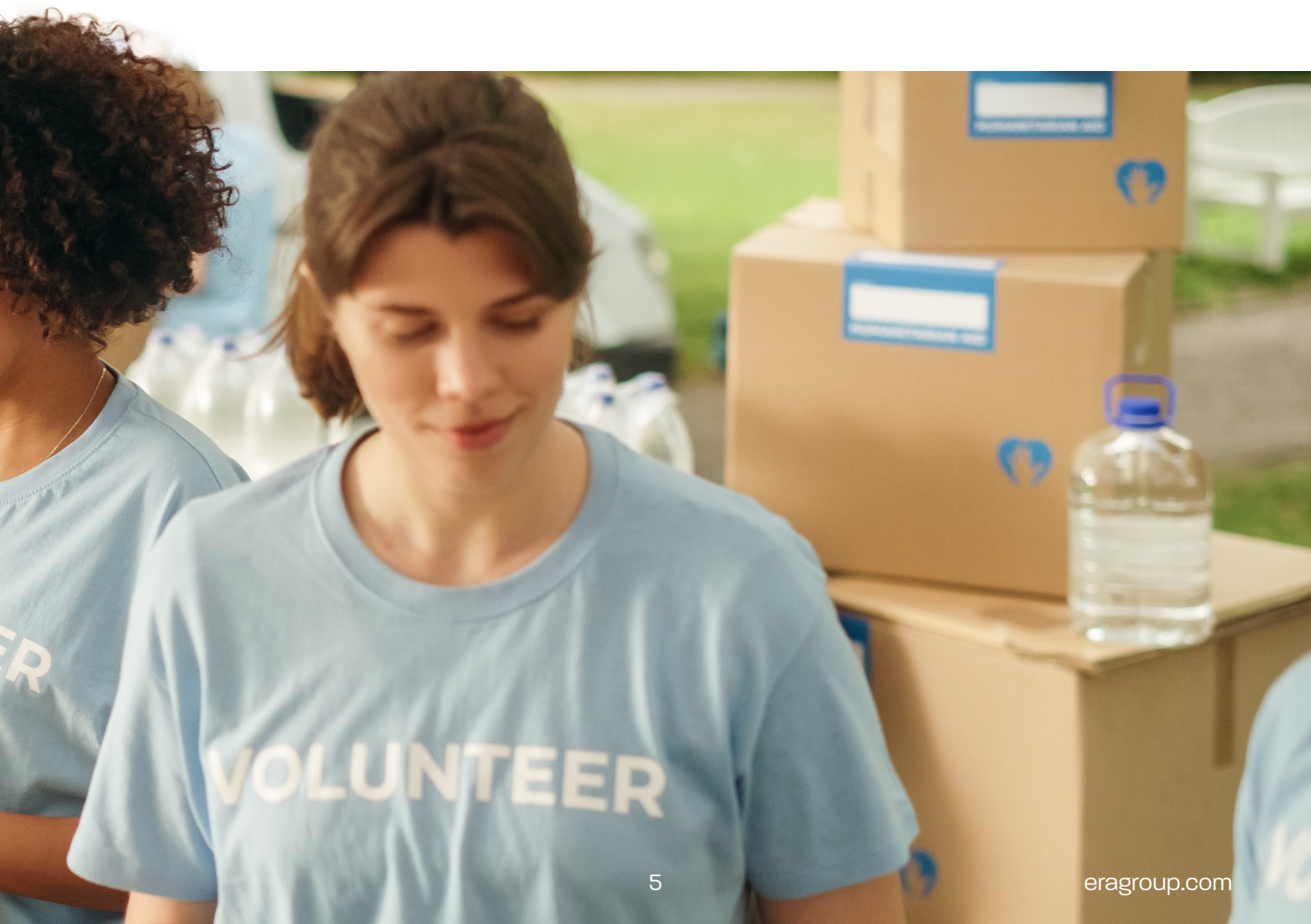
That means it's a good idea to make a note of when all of your service contracts come to an end. Each time they are up for renewal you can then make time to review the market to make sure that you are getting the best deals available.

Even if you decide that switching to a new service provider would be too disruptive or too much of an administrative headache, it is still worth asking for discounts from your existing suppliers in recognition of your loyalty in order to cut your costs.

## 4 Improve energy efficiency

Making energy-saving changes can significantly cut costs for non-profits while boosting environmental credentials. Simple steps like installing energy-efficient lighting and adopting renewable energy sources not only reduce utility bills but shrink your non-profits carbon footprint.

ERA Group helps organizations by establishing robust energy strategies, understanding the peak requirements of your business and mapping out the most effective way of providing the energy resources you need at the most appropriate costs.



## 5 Insurance and Risk

In today's unpredictable environment, every company faces its unique set of challenges, especially when it comes to managing risks and insurance.

Insurance is critical, safeguarding businesses against unforeseen events - whether under their control or not. Yet, navigating the insurance market can be daunting.

ERA Group can help your organization identify critical gaps in coverage, providing insights, allowing you to comprehensively understand the risks your organization is exposed to, enabling more informed decision-making.

- Implementing new processes and optimized claims handling to mitigate future costs and claims.
- Tailored risk management services to minimize risks, funded by their insurers.
- Explore the feasibility of non-conventional insurance and "Alternative Risk Transfer" structures.
- Successfully eliminating some year-end additional premium adjustments.



## 6 Facility Management

Whether you lease a state-of-the-art city centre HQ or own a commercial unit in an out-of-town business park, the cost of your premises will be a significant overhead.

As budgets decrease caused by inflation and higher costs, business leaders have to 'do more with less'.

The largest overhead can often offer the most potential for savings and process improvements.

Some areas to look in to for cost optimization can include:

- Cleaning and Janitorial – ensuring service and pricing is at optimal levels.
- Waste Management
- Property Tax and Business Rates
- Security Services

Taking these steps can contribute significantly to reducing expenses, but achieving optimum efficiency often requires tailored solutions. That's where we can step in to assist you further.

## Next steps

Charitable contributions decrease in tough economic times, and these groups are vulnerable to shifts in the economy, even for non-profits with substantial endowment funds. **Managing expenses is a primary concern.**

Non-profit organizations are often led by small but extremely competent teams who simply lack the time and resource to undertake complex, often niche, procurement work. Leveraging our specialist knowledge and experience, ERA become an extension of existing in-house teams. Real-time cost savings can often be reinvested and impact charitable efforts by alleviating fundraising pressures, whilst strategic procurement benefits clients in the present and protects them for the future.

ERA Group consultants have an intrinsic understanding of the need to meet the regulatory, best practice and competitive needs of our clients, whilst preserving the integrity of their work and support services. Delivering Value Through Insight™, we offer strategic advice and practical methods to optimise supplier relationships, as well as internal systems and operational processes.

### **Start with an Opportunity Assessment**

An opportunity assessment is our opportunity to run a diagnostic of your cost base.

The average organization spends around 70% of its revenue on suppliers. But in today's fast-paced environment, it can be hard to ensure that suppliers are consistently delivering in line with business needs and that costs are optimized. For most organizations this insight provides an immediate and material opportunity to deliver value. After all, our strapline is Value Through Insight™.

Providing a detailed analysis of your supplier data, whether it be spend data, performance data, billing accuracy/frequency and customer feedback uncovers opportunities to not only to save money, but increase supplier value and improve working practices, including:

- Expert insights that challenge the way things are done today
- Fast, actionable ideas for how to transform supplier costs
- A platform for strategic procurement and a plan to deliver the value



Want to know more?  
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