

# ERA Group helps Catholic Charities of Denver put millions back towards mission







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# The client

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**Catholic Charities of Denver shelters, feeds, houses, educates, counsels, and provides emergency assistance and critical services to people in Northern Colorado.**

As one of the largest of Catholic Charities' 167 chapters across the United States, Catholic Charities of Denver's work focuses on a wide spectrum of ministries: including affordable housing; early childhood education; as well as shelter, women, senior, family, kinship, parish, community, and counseling services.

Over the past year, CCD served more than 53,000 people, provided more than 125,000 nights of shelter, and served 400,000 meals. The organization operates with an annual budget of \$60 million and some 600 employees.

# The Challenge

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**A lack of centralized internal labor resources and external procurement practices precluded CCD from scaling services, consolidating vendors, increasing efficiency – and saving money.**

CCD's housing ministry (Archdiocesan Housing, Inc ("AHI")) accounts for approximately half of all the services the organization offers each year. AHI includes 30 properties with 1,700 units serving about 3,500 residents. Facilities management is one of the cornerstone expenses across the ministry and employs many internal resources, including maintenance techs, janitors, custodians, housekeepers, and others. The organization also engages with several hundred outside service vendors for property-related maintenance services.

Like many nonprofits, CCD operates without a centralized procurement function that looks across the entirety of the organization and see where scale, vendor consolidation, and buying power could be employed to save money and increase efficiency and services. CFO Phil Vottiero knew Catholic Charities of Denver would benefit from such a function, but he realized it might need to come from outside the organization.





# The Solution

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**ERA created a hybrid internal facilities management model to oversee vendors and internal labor while maintaining strict service standards.**

In late 2020, Vottiero brought in ERA Group. ERA Group's charge was to look at the totality of agency spending and create different workflows allowing CCD to evaluate its spending across many areas, with housing chief among them.

"To have an expert such as ERA come in and be that independent viewpoint, that separate review, allowed us to take a look at how spending was being done and where we were missing opportunities—something we would never have been able to achieve on our own," says Phil Votterio.

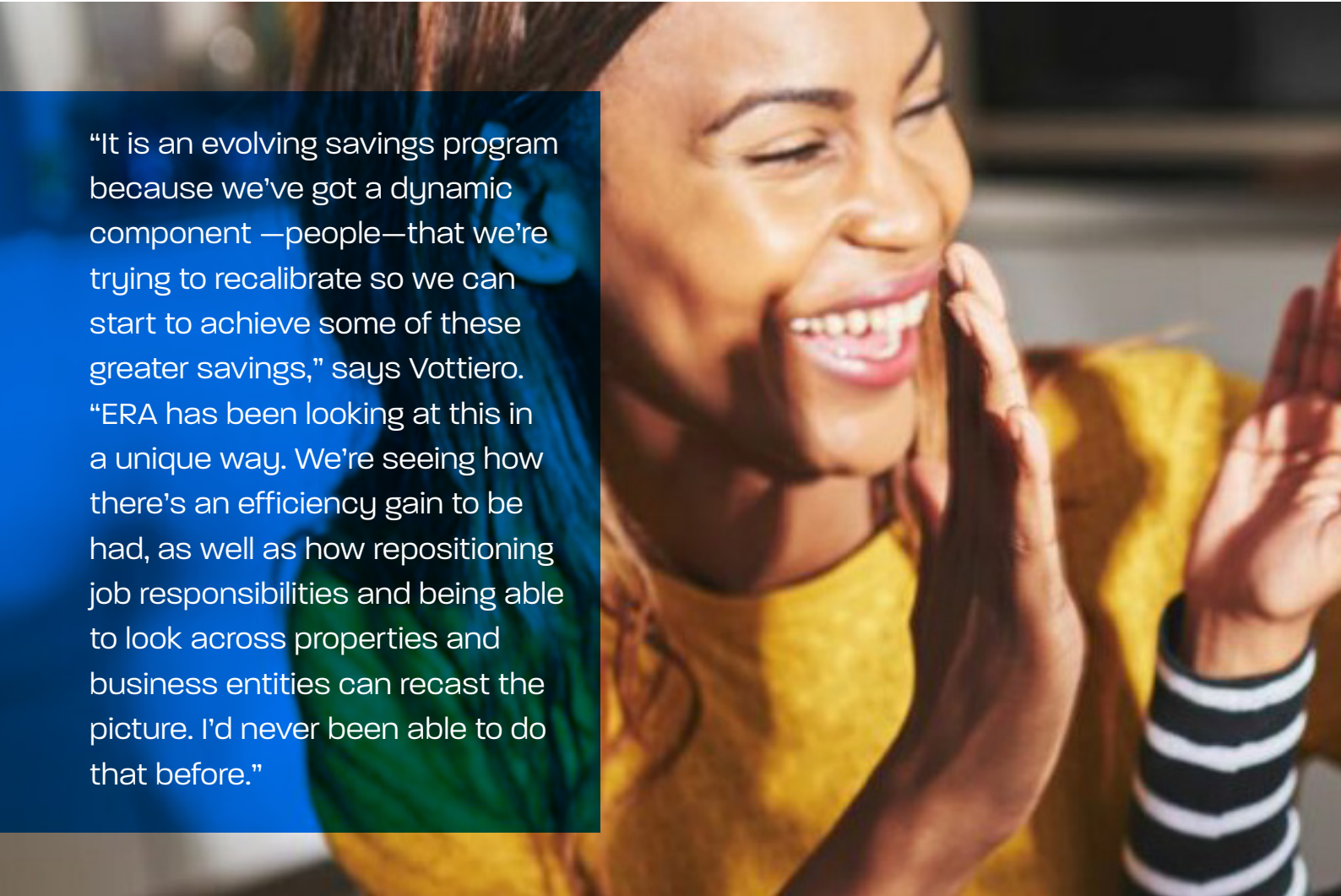
ERA Group determined reducing spending with third-party vendors was only part of the opportunity. In addition to devising a plan for better managing vendors, they elected to examine CCD's internal labor force to make a real impact.

CCD was fully committed to doing right by the people they employed, so outsourcing to a third party was never on the table. They were also adamant the very high level of service to which their residents were accustomed needed to continue.

ERA devised a hybrid model for the organization — an "integrated facilities project" — whereby utilization of employees would be maximized across the agency and vendor management would be centralized in a third-party integrated facilities manager ("IFM"). No employees would be laid off or displaced.

As turnover occurs — the IFM — in coordination with CCD will evaluate the position and determines whether such a role needs to be replaced or simply supplemented with service hours provided by the IFM. This long-range plan honored all the organization's commitments to staff while allowing for a much more efficient and cost-effective model over time.

ERA helped recruit the right integrated facilities manager to handle all the day-to-day maintenance operations with both employees and vendors, and to manage capital-expense projects.



"It is an evolving savings program because we've got a dynamic component —people—that we're trying to recalibrate so we can start to achieve some of these greater savings," says Vottiero. "ERA has been looking at this in a unique way. We're seeing how there's an efficiency gain to be had, as well as how repositioning job responsibilities and being able to look across properties and business entities can recast the picture. I'd never been able to do that before."

# The Result

CCD is positioned to realize maximum efficiencies and 30% plus per annum saving in its housing ministry alone, spurring it to ask ERA to expand its footprint across the organization.

At Vottiero's request, ERA has created an umbrella program to work across all ministries to realize financial savings and efficiencies.

"If we do not steward what we are given judiciously, beyond wasting money, resources and energy, we are running counter to what we're called to do, which is to take what we're given and utilize it at its maximum efficiency," says Vottiero.

Every dollar CCD saves allows them to assist more people in need across their ministries. Through the integrated facilities project alone, Catholic Charities of Denver is positioned to save more than \$30 million over 10 years.

"ERA is a partner, not a vendor," Vottiero says. "I can't emphasize that enough. We've all worked with many consultants and contractors in our day, and there are more than many that create more work than they solve. What ERA did from the outset was to create a model that was easy to follow, did not burden any

one individual or area, and allowed us to move forward across a wide array of projects."

"ERA provided us a huge opportunity to further our mission by taking the resources we have been given and allowing us to redeploy savings into additional high-impact programming."

## Total annual savings: **\$1,116,000**

IFM	\$620,000
Maintenance/repairs	\$116,000
Food services	\$103,600
Telecomm	\$93,600
Waste management	\$56,700
Office & janitorial supplies	\$54,000
Energy/utilities	\$30,700
Information technology	\$30,000
Print & promotional	\$11,400





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