

## 10 Ways for Organizations to Cut Costs

Here's a practical, no-nonsense article that lists creative ways for non-profit organizations to find hidden money – finding and saving money is as important as increasing revenue and finding alternative sources of funding, especially in turbulent times. The article was originally posted on About.com, but has been modified to include many more useful ideas.

### 1. Examine your programs and audit the necessity of everything your organization does.

Start by examining your organization's mission: does it need to be tweaked to reflect the changing economy? Evaluate the true purpose of your core programs and non-core programs. Perhaps your non-core programs like HR and accounting could be streamlined or outsourced. When looking at your core programs, consider providing them at reduced hours, fewer locations or to a more targeted group of people. Modify your core programs to suit the changing times.

### 2. Review all operational areas of your organization:

- Identify essential office expenses
- Reuse supplies where possible
- Opt for refurbished equipment
- Seek in-kind contributions for things you need – computers, office furniture
- Barter for support services and resources
- Sell assets you no longer need
- Seek new suppliers and renegotiate contracts with existing suppliers to get better rates
- Evaluate rent costs: consider sharing office space and maintenance costs with another organization; consider moving to a smaller space, ask your landlord for a break with the rent or deferred payment option
- Ask employees to work from home, share shifts and/or office space
- Consider closing down satellite locations of your organization
- Examine telephone expenses; eliminate toll-free lines
- Cancel subscriptions
- Send information electronically wherever possible; reduce/eliminate postage expenses
- Extend payables
- Shorten receivables
- Consolidate debt
- Delve into reserves only if necessary - plan for the expenditures that would require this

### 3. Make maximum use of your Board of Directors

Your board should help you raise and save money. Ask board members to make use of their own contacts to find individuals and businesses that may be willing to donate the goods and services you need or to be sponsors for your projects and events. Board members may also be willing to absorb expenses for their work without reimbursement.

### 4. Evaluate effectiveness of internal policies and procedures

- Examine how HR policies can be streamlined: freeze hiring, reduce work hours or the work week, institute job sharing, use graduate interns, temporary staff or consultants, expand volunteer base, consolidate job functions, eliminate redundant jobs and unnecessary layers in the organization.
- Reduce or eliminate travel expenses by opting for videoconferencing or teleconferencing
- Reduce staff training and development; opt for videotapes, computer-based training programs, books and a personal mentor
- Review purchasing policies to ensure all bids are competitive
- Examine board policies and procedures to ensure their relevance

#### **5. Seek out low-cost/free marketing, communications and public relations techniques**

- Consolidate newsletters and brochures; post on your website for easy downloading and paper savings
- Always ensure your website is up-to-date; engage a student to help with updating
- Write letters to the editor
- Provide guest columns
- Find local ad agencies and volunteers to create public service announcements

#### **6. Leverage local businesses for fundraising**

Ask businesses in your community if you can include your fundraising appeals in their mailings. It gives them a chance to do some good and provides your organization leverage and cost savings for your fundraising.

#### **7. Read newspapers to keep on top of the changing economy**

Businesses that are moving or liquidating may donate office equipment and furniture - look for prospects for corporate donations. Also, a company getting bad press might want to improve its public image by helping you.

#### **8. Network, network and network**

- Team up with other organizations to buy supplies and even insurance
- Share office space and equipment with other organizations
- Share employees and volunteers
- Hold joint meetings and programs

#### **9. Save energy**

- Switch to inexpensive paper; use lower-weight paper to reduce postage costs
- Recycle paper, envelopes, cartridges, and anything else you can think of
- Set back temperatures during times when your facility is unoccupied
- Turn off lights and equipment when not in use
- Install more efficient lighting
- Indoctrinate employees with the importance of saving energy and introduce an energy-efficient policy for the office
- Monitor costs and let everyone know how much is being saved

#### **10. Seek out more volunteers**

Ask employees and volunteers if they have any family or friends that would be willing to help your organization. Reach out to past volunteers for help. Thank your volunteers on a regular basis.

Hopefully these ideas will help you find hidden money and ways to protect your organization during the recession. The other key benefit is that they will help you sharpen your organization's focus, so that when the economic storm is over, your organization will emerge stronger and in a better position to tackle new challenges.

Feel free to contact Sibal Writing & Consulting for assistance – we can develop more effective internal policies and communication strategies for your organization to reflect the changing economy. We can be reached at [info@sibal.ca](mailto:info@sibal.ca) or 905-580-4433.