

ck1 Case Study

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ComputerED:

DEVELOPING A STRATEGY FOR GROWTH

Growing up isn't easy. Rapid organizational growth can present a host of new challenges that threaten the continued viability of an enterprise. The problems that stem from success must be addressed quickly, or a nonprofit can rapidly find itself a victim of its own ambition.

ComputerEd is a nonprofit that provides inner city schools with computers, hardware, software, and curriculum guidelines for K-12 computer education programs. Over the past 5 years ComputerEd has grown from a 1-person operation to a 12-person organization that has put over 4,000 computers in 50 schools across the Mid-Atlantic region.

The Problem

In the past, the operations model was fairly simple—ComputerEd would collect used computers from corporate donors throughout the year, refurbish them and send them off to schools in time for the new school year. As the popularity of the program grew, and as an increasing number of corporations offered to donate their used computers, ComputerEd found it increasingly challenging to store computers until they could be sent off to schools.

Though schools were excited to receive new computers, the more computers that ComputerEd offered, the less flexible the schools were to accept shipments; after all, teachers had to be trained with new educational software, curriculums had to be adjusted to include a computer education program, and space had to be allocated for the new units. These nontrivial considerations generally meant that schools could only take on large shipments of computers before the beginning of the school year rather than “on the fly” during the school year.

With their small office flooded with computers, ComputerEd decided to rent storage space in order to continue accepting hardware donations. However, in time, finances were stretched to the limit as storage costs continued to grow. Burdened with mounting costs and uncompromising operational constraints, ComputerEd considered halting its rapid growth

The ck1 Solution

Rather than shrink away from the challenges that arose from their meteoric success, ComputerEd invited ck1 Consulting to help develop a compelling growth strategy. Though storage costs and school inflexibility represented the areas of maximum leverage from which to produce positive change, it quickly became apparent that storage costs could be influenced far more than school policies.

ck1 worked with ComputerEd to forge a key strategic partnership that would allow it to reduce storage costs. Rather than attempting to find the cheapest storage available or reduce the number computers stored, ck1 developed a plan in which ComputerEd would partner with a regional automotive parts supplier with a vast network of storage centers throughout the mid-Atlantic region. Given the

nature of the automotive business, the supplier utilized its storage facilities primarily in the fall and winter seasons as it warehoused a vast quantity of parts to be shipped out to dealers for the new automotive year. As the parts were sent to dealerships, the supplier seldom used its entire storage capacity during the spring and summer.

ck1 tailored a solution in which the supplier would donate storage space to ComputerEd during spring and summer, which incidentally, represented the time before the new school year when ComputerEd needed storage the most. The supplier was able to reap tax benefits from underutilized capacity while ComputerEd was able to reduce storage costs by over 90%. This win-win solution allowed a stellar nonprofit to continue addressing a pressing need, and unleash its power for change in our world.