

Exercise # 2

PURPOSE: Determining needs and developing strategies to implement change

4. Partnerships & Collaborations

Are you creating something unique/not elsewhere offered? Do you need to merge with someone else?

Mind the gaps! Identify performance gaps, and who might tackle them (i.e., you? Them? A new partner?)

Key Elements of a partnership:

- Shared purpose
- Accountability
- Commitment/Participation
- Numbers
- Roles/Work/Governance

Networking/networks – be clear on the “give” and “get”

Agreements/Memorandum of Understanding

Potential pitfalls – internal systems capacity not growing at same level with program capacity growth

Roles of staff, board members, funders

Poor risk management

Pay attention to the resources you have – not what you don't

Look at possibilities from other perspectives

Utilize experiences and skills as strengths

Recognition of unexpected solutions & tactics

5. Balcony versus Dance Floor

Perspectives will differ, based on your view!

Able to see problems/challenges differently, and therefore be able to pin-point resolutions

What's the view externally? Internally?

Are they positive? Negative?

What 3-7 things can you do to succeed at this idea/program/project?

Exercise # 2

A> Ask someone (a Peer) to review your Exercise 1 and comments

Can they identify any gaps?

B> Prepare the following exercise (with example)

An exercise/tool to think through the proposed project from different perspectives

- Determine 2 (or more) ways the project can be done/completed by; tool is a comparison of these

Risk/Reward/Profitability Tool

Example: Challenge- to either “pre-sale” homes before they are built; or building “spec” homes and using a realtor to sale when completed

Model # 1 – Pre-Sold units to qualified buyers before construction begins

PROS –

1. Easy to obtain construction financing
2. Creates referral opportunities with partnerships and collaborations
3. Satisfies HOME grant funding requirements (must identify buyer before receiving funds)

CONS –

1. Difficult to find building lots that meet the specific buyer desires (location, community)
2. Must continually subsidize home price to match buyer mortgage affordability and leave appraisal equity with buyer (we annually run out of subsidy funds)
3. Time line to complete home, application to keys, 9-12 months, affects cash flow
4. Difficult to market, consumers cannot envision what an empty lot will look like w/house
5. Consumers are not happy waiting for their home to finish; plus we encounter ‘walk-aways’ during long construction period where circumstances happen (lost job, divorce, pregnancy, death, credit history changes, illnesses, etc)

Model # 2 – “Spec” homes constructed and sold after completion by realtor

PROS –

1. The new builds could sell at a higher price point without subsidy (appraisal value)
2. Reach low-income market populations not currently served by our programs (60-80% AMI)
3. Reach greater market populations that don’t need assistance/don’t know that we exist
4. Can build in any areas, can take quick advantage of lots becoming available

CONS –

1. Would realize less revenue per home, lowered by paying realtor fees
2. Potentially increased holding costs – new homes completed could sit unsold for long periods of time (construction loan interest, insurance, security, lawn maintenance, etc)
3. Risk of building homes that do not satisfy current consumer wants (granite countertops, wood floors, etc, due to our budget constraints)