

SAN DIEGO BUSINESS JOURNAL

INNOVATION

A look at innovative organizations, concepts, products and people

Cost-Cutting Comes With Benefits for the Community

FINANCE: Finding Ways to Save Creates Opportunity to Give

By BRAD GRAVES

George Brooks-Gonyer calls it “donor fatigue.”

It’s a problem that nonprofit organizations face in the current financial climate, and it’s getting worse, said Brooks-Gonyer, a onetime chief financial officer for the San Diego Natural History Museum in Balboa Park.

The executive’s new pursuit, **Accretive of San Diego**, lets nonprofit organizations bypass donors who may have given their all, and taps into a different income stream. Brooks-Gonyer is one of eight partners in Accretive.

Accretive looks over the expenses of client companies, whether they are for-profit or nonprofit. It identifies ways to save the client money. Then it channels part of the savings to nonprofits which need money.

It’s amazing what a fresh set of eyes will uncover at a business, said **Mark Neilson**, Accretive’s founder.



Mark Neilson

Neilson doesn’t care for the term consultant and jokingly introduces himself and Brooks-Gonyer as “recovering CFOs.” Neilson says he wants to help chief financial officers with tasks that they no longer have time to do. Accretive targets companies with revenues greater than \$10 million.

Neilson claims Accretive can find 1 percent to 3 percent savings in a business. That is as long as the client has no “sacred cows” and does not let ego get in the way of savings, Neilson said.

Accretive may look at utilities, telecommunications, insurance or a few dozen areas that may be unmanaged or under-managed. Accretive, however, will not

ACCRETIVE OF SAN DIEGO

Managing partner: Brian Daniells.

Revenue: Undisclosed.

No. of local employees: None; there are eight partners.

Investors: Kristi Cerasoli, Brian Daniells, Mark Neilson, Dave Shantz, Buddy Voit.

Headquarters: University Towne Center area.

Year founded: 2010.

What makes the company innovative:

Aids nonprofit organizations by identifying savings in for-profit businesses, then diverting some of the savings to the nonprofit.

Key factors for success: Partners’ business experience and contacts, word of mouth and referral business.

suggest savings by targeting jobs or raw materials, Neilson said.

Accretive is not alone. Many companies offer to look over expenses and suggest ways to save, partially by parsing the complicated language of their vendors.

Savings Hunter

Michael Lefkowitz, who runs **ECS Business Services** in Miami, said electrical billing varies from jurisdiction to jurisdiction and can require software for interpretation.

Lefkowitz, trained as an attorney, works to find savings in power, natural gas, water, sewer, telecom, elevator, medical waste disposal and other areas, and goes to the extent of appearing before government agencies on behalf of his clients. Like Accretive, his Florida business does not venture into the area of payroll and staffing.

Neilson used the analogy of Accretive as a primary care doctor who brings in subject matter specialists. “We are the self-appointed leader of a fragmented army of cost-saving firms in San Diego,” he said.

“We don’t rough up vendors on price,” Neilson added, saying that the goal is to

keep current suppliers. What may be needed is a new way of looking at things, he said.

Share the Wealth

Accretive differs from other consulting firms in where it directs the savings that it discovers.

Under Accretive’s “shared savings” model, the client company gets 65 percent of the savings and Accretive gets 25 percent.

The other 10 percent? It goes to the nonprofit of the client’s choice.

For example, if Accretive finds \$250,000 in savings at a for-profit firm, it will give \$162,500 to the client, send \$25,000 to a company-designated charity, and take in the remaining \$62,500.

Accretive won’t hang on to the entire \$62,500, though.

Under one scenario shared by Neilson, Accretive might send 15 percent of its share to charity, with \$6,250 going to the charity of the person who made the referral and \$3,125 to Accretive’s choice of charities.

Share the Success

Neilson credits **Barry Bowles** of **Expense Reduction Analysts** of Carlsbad for the basic idea of the shared savings model. ERA often works as a subcontractor.

Nonprofit organizations always exist in an ecosystem with for-profit entities, including vendors, corporate sponsors and board members, Neilson said. Accretive offers for-profit businesses a way to give to nonprofits, not by creating a new expense, but by sharing found savings, he said.

Neilson also founded **Accretive of Indiana** in his hometown of Elkhart, near South Bend and the University of Notre Dame.

He is on the board of **Supreme Industries Inc.**, a maker of truck bodies based in Goshen, Ind. He is chairman of the board at **Volunteers of America** for southwestern California.