

Case Study: Vehicles For Change

Snapshot

Name of Organization:	Vehicles for Change
Type of Organization:	Transportation
Type of Engagement:	Collaborative Alumni Services; Opportunity Assessment
Social Impact Area:	Sustainability

Background

Vehicles for Change was started in 1999 when founder Marty Schwartz realized how transportation is a significant barrier to employment for low-income families. Vehicles for Change repairs and distributes donated vehicles to families in need. Cars in good condition are auctioned at a fair price, and the proceeds are used to fund low-cost repairs on other cars to distribute to families who cannot afford to purchase their own vehicle.

Vehicles for Change was looking for ways to increase its earned income outside of auction sales, so Marty Schwartz, the executive director, became a part of CWV's Baltimore Community Wealth Collaborative in 2003. Following the Collaborative process, Vehicles for Change launched a retail automobile venture called Freedom Wheels (FW) to sell donated cars and generate increased revenue for its car repair program. After the Collaborative program, Vehicles for Change called upon CWV for strategic advice on how to increase car donations through new partnerships and donor opportunities.

"Without Freedom Wheels, Vehicles for Change would have closed more than a year ago. The fact that Vehicles for Change is still here is a direct result of the success we have had through Freedom Wheels."—Marty Schwartz, Executive Director

CWV's Solution

Since Vehicles for Change had already gone through a business planning process to launch its Freedom Wheels venture through the Collaborative program, CWV already understood the strengths and existing partnerships of the organization. Thus, CWV consultants used their previous knowledge of the organization to brainstorm new potential corporate and donor partnerships for the Freedom Wheels venture that had not been previously considered by Marty and his team. After initial meetings with Vehicles for Change and follow-up research, CWV determined that local car dealerships, state fleet vehicles, and corporate fleet vehicles offered the best opportunities to increase car donations to the Freedom Wheels venture.

CWV identified promising connections with contacts for Vehicles for Change and scheduled initial meetings with potential donors. After initial preparation and follow-up support from CWV, Vehicles for Change took the lead in maintaining relationships with these potential donors.

Results

Following its second engagement with CWV, the Vehicles for Change leadership revised its strategy for pursuing donors and partnerships. In particular, Vehicles for Change learned how to effectively communicate with donors by asking the right questions and speaking in a language that resonated with potential partners. Marty and his team also learned how to conduct partner

research and identify opportunities more systemically—a process that they have maintained since the conclusion of the engagement.

In addition to the aforementioned changes to the organization's internal processes, Vehicles for Change has experienced great success through the Freedom Wheels Retail Lot. Results from their two engagements with CWV include the following:

- Generated \$300,000 of profit in 2007 and is on track to generate \$400,000 in net income during 2008.
- Implemented a corporate partnership with DeWalt Tools, who will donate a set of tools to construction companies that donate vehicles to Vehicles for Change.
- Increased recognition for Freedom Wheels' innovative growth model as Entrepreneurial Organization of the Year by the University of Baltimore's School of Business and by the Casey Foundation in an upcoming documentary on car ownership for low-income families.
- Initiated a partnership with Oarsmen Chrysler Jeep to purchase discounted cars for Freedom Wheels Retail Lot, resulting in \$20,000 in revenue.
- Donated 400 cars over the past 12 months to families and individuals in need.

Currently, 40% of Vehicles for Change's operating budget is generated through the Freedom Wheels program. For every \$100 made through the Freedom Wheels Retail Lot, Vehicles for Change is able to donate a car to a low-income individual or family.

"CWV does a marvelous job. They were incredibly thorough and took ownership over our program and what we were doing. They took as much joy in our successes as we do." –Marty Schwartz

Lessons Learned

This engagement highlights the importance of continuing support for new social enterprises through a commitment to reviewing and refining a venture's business model and market orientation. Even though Freedom Wheels had been profitable from year one, the executive director understood the need to refine internal processes to better identify donors and partnerships for the future. The organization's leadership saw value in maintaining a culture of innovation and continuous learning from outside expertise as a way to increase their enterprise's sustainability and success in the future.

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