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What Works

Give Away the Store: Why Portland's ReBuilding Center refuses to franchise, but is happy to share

By Suzie Boss

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Give Away the Store

Why Portland's ReBuilding Center refuses to franchise, but is happy to share *by Suzie Boss*

BEFORE HE LAUNCHES A TOUR of the ReBuilding Center in Portland, Ore., Executive Director Shane Endicott cautions visitors to watch their step. Heavy objects with sharp edges abound at the organization – the largest nonprofit building materials reuse center in North America – and something is always coming or going. As one flatbed truck pulls up to unload a mountain of used oak flooring, a pickup pulls away loaded with a bathroom sink, vintage light fixtures, and cabinets ready for a home remodel.

Equal parts lumberyard, pack rat nest, and community meeting place, the ReBuilding Center keeps an estimated 7 tons of construction debris out of the landfill every day. A workforce of 50 people sorts, prices, and eventually resells every donated doorknob, window frame, plumbing fixture, and length of lumber. While going about its Earth-friendly business, the ReBuilding Center also generates living wage jobs, delivers on-the-job training, provides low-cost materials, and strengthens Portland's Mississippi Avenue neighborhood, which is on the rebound.

The ReBuilding Center's bargain prices – nothing goes for more than half the cost of new materials – make for brisk business, generating \$3 million in annual revenue. The center uses these profits to underwrite the work of its parent nonprofit organization, Our United Villages, which focuses on community-building efforts.

"We're taking what society is planning to throw away, and turning that liability into an asset," explains Endicott.

"Could you open one of these near my neighborhood in Detroit?" asks a visitor.

"No," says Endicott with a ready smile, "but you could."

Thinking Big, Staying Small

Since launching the ReBuilding Center in 1998, staff members have fielded a steady stream of requests to replicate their model. Yet they have no interest in expanding into new markets, setting up franchises, hiring out as consultants, or putting their inventory online. By staying small, the center keeps its transportation costs low and its energy use to a minimum. It also maintains close ties to its neighborhood.

Additionally, "there's not a single reuse model that can work everywhere," points out Brad Guy, president of the Building Materials Reuse Association. Local variations in infrastructure, waste disposal policies, and building materials



Workers with the ReBuilding Center of Portland, Ore., "deconstruct" a house, meaning that they take it apart in the reverse order that it was built. The center will then resell the materials.

mean that one size does not fit all communities, he says.

Despite his determination to stay local, Endicott has the systems-changing vision for which social entrepreneurs are known. Instead of scaling up and out, he practices what one might call "the handoff." Like an open source developer, Endicott and his colleagues freely share their organization's history, business plan, inventory methods, and other practical lessons with anyone who asks. "We tell our staff that we don't have any intellectual secrets. We give everything away," Endicott explains. "It's like when the mayor gives away the key to the city; we give out the key to our organization. We want to inspire people to go home and start something like this in their own community. Personal ownership will make this model sustainable for generations."

The ReBuilding Center even helps would-be competitors. When Endicott heard that the local Habitat for Humanity affiliate was about to open a Habitat ReStore – the closest thing there is to a building materials reuse franchise – he offered to help. Similarly, the ReBuilding Center encourages its employees to start their own for-profit businesses. That fits with what Endicott describes as the long-term goal: "To work ourselves out of a job because nothing is getting thrown away anymore."



Alisa Kane, a ReBuilding Center co-founder who is now the green building coordinator for Portland's Office of Sustainable Development, sees several reasons why other communities should grow their own version of the center: "The model has great potential for job creation. And the need is huge – we could have eight or 10 centers in Portland alone and still have materials going into the waste stream." Much of the nation has a similar demand, as construction debris still accounts for an estimated 40 percent of waste in the United States.

Hand Off the Know-How

About every six weeks, the ReBuilding Center hosts another visitor interested in learning from its example. Visitors shadow workers, attend staff trainings, learn how to sort and inventory donated materials, review financial reports, and study the business.

Some visitors come specifically to watch "deconstruction," which involves taking a building apart by hand in the reverse order it was built. The goal is to reuse every salvageable piece, from woodwork and flooring to bricks and beams. Instead of paying to bulldoze a building and then haul the rubble off to the landfill, clients pay for the labor of deconstruction and donate the materials to the ReBuilding Center. Clients then receive a tax deduction.

Since 1999, the ReBuilding Center has deconstructed more than 125 houses. "We had to learn how to do this without any models," Endicott says, "and now we're happy to teach others what we know."

In Louisiana, the ReBuilding Center has worked with the New Orleans Green Project and Mercy Corps Northwest to encourage deconstruction rather than demolition of storm-damaged housing. David Reynolds, former executive director of the Green Project, spent a week at the center when his organization was still reeling from the devastation of Hurricane Katrina. "It was so reinforcing. Here was somebody else who's had the same brainstorm, but been able to take it further," he says.

Visitors have launched their own start-ups in several cities. For instance, Matt Hisel visited the ReBuilding Center in 2003 to get ideas for a construction materials reuse center in Missoula, Mont. "They answered all my questions and then printed me out a copy of their business plan. It was absolutely central to our planning," he says. Missoula's Home Resources is growing steadily – from \$135,000 in sales the first year to an estimated \$290,000 in 2007.

Hisel also picked up the ReBuilding Center ethic: "They taught me, 'Be friendly with everybody.' And we do that. We

have a belief in transparency; our employees take ownership of the organization." He knows that not every company operates this way. "It's surprising to find out how protective others can be of their business ideas," he says.

The Missoula center also practices what Hisel calls "localism." "It's a key component in sustainability. It wouldn't make sense to grow into a behemoth organization in multiple cities. We need to be rooted in the community."

"If these were franchises competing in the same markets, people would be less open to helping each other," says Justin Green of Build It Green! NYC in Queens, N.Y. Instead, he says, the centers' independence inspires collaboration. Indeed, his 2-year-old organization, which learned from the ReBuilding Center, has already helped another reuse center get off the ground in the Bronx.

The downside to this scrappy independence is "a little more flailing around," admits Green. "When they open something like a Goodwill store, there's a whole system in place. We each have to invent the wheel for ourselves." At the same time, he adds, "we also generate new ideas and build local pride this way. Chaos breeds innovation."

Sharing a successful business model "doesn't happen often enough in the nonprofit world," acknowledges John Haines, executive director of Mercy Corps Northwest and a board member of the ReBuilding Center's parent organization. "Competition for funding can make people protective of their turf."

Nevertheless, lack of funding didn't dampen the ReBuilding Center's collaborative spirit. A decade ago, the organization couldn't even secure a loan. "We had no assets, no track record, no proof of concept," admits Endicott. Instead, he and his co-founders shared a gut-level instinct that their idea could work. A volunteer offered to lend the organization \$15,000 from a personal credit card. Within a year, the ReBuilding Center repaid the loan and was in the black.

For all the business smarts the organization has accumulated since then, passion remains an essential ingredient in making this model work. That plays out nationwide, reports Guy: "Reuse remains a field where people do it because they love it. Nobody's in this to make a fortune." □

HAND OFF HOT IDEAS

- Invite visitors to watch operations
- Share business plans, inventory methods, and other lessons learned
- Encourage collaboration
- "Be friendly with everybody"