

From Corporate Sponsorships to Community Partnerships: Working with small businesses and corporations

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OLA Superconference 2013



Agenda

1. Ways that business contributes
2. Corporate giving in perspective
3. Trends
4. Research tools
5. Making an Ask: similarities and differences
6. 5 things you can do tomorrow
7. Policy



From the headlines...

A bookseller's bid to fill school shelves

Retired elementary-school principal Judy Gillis spent years knocking on doors in a bid to raise money for her Toronto inner-city school. Then one day millionaire bookseller Heather Reisman came to her door and the veteran educator made the pitch of her career.

www.theglobeandmail.com (Sept 20/07)



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From the headlines...

Benjamin Moore is committing \$100,000 to take its **Community Restoration Program** national.

The program was developed with **Community Foundations of Canada (CFC)** in 1998 to provide grants, free paint and technical advice for community restoration and renovation projects. To date, the program has made more than 100 grants in 67 communities, and has focused on Ontario community groups. The program will now be open to targeted communities across Canada. Application details regarding the 2008 Benjamin Moore Community Restoration Program will be posted on CFC's website after October 1st.

For more information, visit: www.cfc-fcc.ca.



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From the headlines...

HBC launches local history grant program

The Hudson's Bay Company (Hbc) and Canada's National History Society announced a new \$50,000 funding program to help promote Canada's history at the local level. The HBC Local History Grant Program will offer \$1,000 to individuals and organizations that promote greater public awareness of Canadian history, particularly among young people. "Communities across Canada are defined by the history of their residents," said Jerry Zucker, governor and CEO of HBC. "We are proud to continue with our commitment to promote and preserve Canadian history through our new HBC Local History Grant Program. These projects are meant to breathe life into Canadian history at the local level."

For more information or to apply for funding, visit: www.hbc.com

From the headlines...

The Atlanta-based **Coca-Cola Company** has announced that it is reorganizing its main charitable department and fundamentally changing its worldwide giving priorities, the Atlanta Business Chronicle reports.

The proposed changes include the elimination of Coca-Cola's long-standing corporate external affairs department, which will be replaced by a new oversight division named Global Community Connections.

As part of the shift, the company will refocus its giving, which had targeted education and diversity, on three areas: water cleanliness and supply, recycling with an emphasis on sustainable packaging, and fitness. In addition, each global operating region will be able to specify two local initiatives to support beyond the three company-wide priorities. Coca-Cola expects the reorganization, which will be managed by Ingrid Saunders Jones, the former head of external affairs and longtime charitable face of Coca-Cola, to be completed by January 2008.

<http://foundationcenter.org/pnd/news/story.jhtml?id=175700058>



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From the headlines...

Coke addresses obesity in new ads. Do you buy it?

Dave McGinn

The Globe and Mail

Published Monday, Jan. 14 2013

With soda drawing criticism as a contributing factor to weight gain and poor health, the world's most recognizable soft drink is finally taking on the subject in its commercials.

On Monday, the company is set to begin airing a [two-minute commercial](#) during the highest rated shows on CNN, Fox News and MSNBC, according to Associated Press.



From the headlines...

Verizon's Life Span Literacy Matrix is a single source for information and direction to enable the literacy community and community based organizations put research into practice.

<http://foundation.verizon.com/>

<http://www.thinkfinity.org/>



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From the headlines...

Samsung Hope for Children Employee Grants

Beginning in the summer of 2012, Samsung Canada employees who are personally involved in local CSR programs, are invited to submit proposals to the Samsung Hope for Children Employee Grants program. Grants of various amounts are awarded through an internal selection process approximately every three months.



From the headlines...

Call for applications for RBC After School Project

RBC today announced its call for grant applications for the 2013-14 school year. The [RBC After School Project](#) is offering up to \$2.8 million in grants to fund first-time and renewed grant recipients. The grants are awarded by regional community panels made up of experts in the fields of youth and education. Each organization must offer structured, supervised activities in an environment that provides what RBC has termed the "3 S's": safety, social skills and self-esteem. RBC After School Project grants of up to \$40,000 are provided by the RBC Foundation to programs in at-risk or underserved communities. Last year, Essa Public Library received funding for its program. The deadline for funding applications is Friday, March 15, 2013, and grant recipients will be advised by Monday, June 3, 2013.

For more information, visit: www.rbc.com

From the headlines....



From the headlines...

Businesses are struggling with the concept

Canadian businesses, while they mostly adhere to the concept of supporting the community by contributing to the agencies whose mission it is to strengthen it, are often unsure how to go about achieving this aim, a recent Imagine Canada study funded by EnCana indicates.

(CF December 15, 2006)



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Corporate Giving in Perspective

Where does \$\$ come from?

- 1.
- 2.
- 3.
- 4.



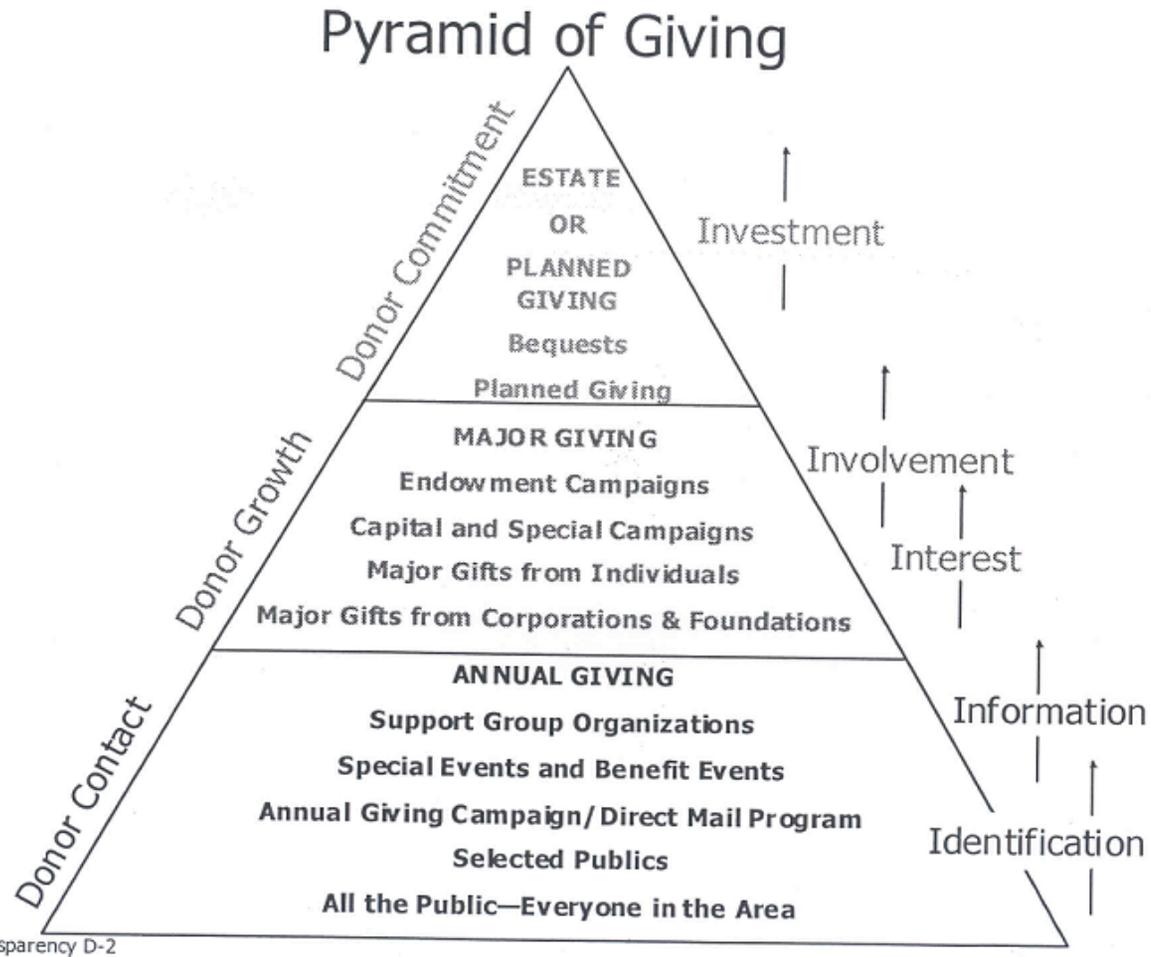
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Corporate Giving in Perspective

How much?

- 1.
- 2.
- 3.
- 4.

Corporate Giving in Perspective



Ways in which business can contribute Non-cash

- gifts in kind
- services in kind
- company facilities
- company in-house services
- employee volunteer programs
- advice and counsel
- secondments
- senior management expertise
- bulk ordering
- use of company name
- a for-profit perspective (risk-taking, customer service, results-oriented)



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Ways in which business can contribute Cash

- one-time contributions
- annual, renewable support
- pledges
- loans
- endowments
- continuity grants
- employee matching programs
- employee donations
- employee charitable trusts
- challenge grants
- informal staff fundraising
- cause-related marketing
- event marketing
- joint ventures and licensing (earned income)
- sponsorships

Creating effective business partnerships

- Creating mutually beneficial solutions to the challenges in our communities
- Sectors working together – charities, businesses, foundations, governments and individuals – with realistic, articulated expectations (define outcomes, relevancy)
- Sharing resources, strengths, building mutual respect between partners, recognizing cultural differences



The Conference Board of Canada defines Partnership as....

... an ongoing collaborative venture between business/industry, government and community organizations. Established by mutual agreement between two or more parties, a partnership has clear responsibilities and requires acceptance of shared contributions. In addition, a partnership addresses a common issue or set of issues for the purpose of dialogue, exploration of solutions and/or coordinated action. It is a long-term commitment built on a thorough understanding of, and respect for, each other's needs. Compatible with each partner's strategic plan and objectives, a partnership fosters a change in conditions and encourages the achievement of solutions acceptable to all participants.



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Understanding why business contributes

- Credibility in a partner & community respect
- Commitment to a particular community concern
- A focus on socially relevant results
- Access to networks, contacts and members
- Market demographics
- Business to business opportunities
- Hospitality opportunities
- Special access
- Employee involvement
- Brand tie-ins, product exclusivity
- Media coverage (esp. business media)
- Programs that are “innovative” “creative” “ committed” “visionary”

Understanding why business contributes

- A unique opportunity, exclusivity, differentiation
- Integration into corporate communications and marketing initiatives (access to government (regulators), investor communities, the public)
- A high comfort level (not controversial), safe programs
- Programs that will enhance their image, their credibility, profile with the right audience
- Programs that exhibit longevity, to repeat or expand the event/program, build the relationship over time
- Expertise in special event management and communication with good sponsor recognition
- A good investment, investment will be well handled



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Why does business contribute to charity?

2007 Imagine Canada Study:

- Because it helps market the company's brand
- Because the success of the company depended on having strong communities
- Because of the need for a social license to operate
- Because it improves the ability to recruit and retain employees



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Publicly they say...

- We support communities where we're located
- We want to give back
- We believe in good organizations and causes



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Privately they say...

If I can't show our owners or stockholders the corporate giving program is adding to the bottom line, I can't justify making donations.



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Corporations ask themselves:

- What do our customers care about?
- What do our employees care about?
- What are our competitors supporting?
- Can we differentiate ourselves?
- What causes are relevant to our business?
- What will affect our communities?



Trends in Corporate Investment

Old School	New School
Reacting to requests	Proactively planning investments
Isolated from daily business	Integrated with core business
Invisible to most	Visible to key audiences
Nice to do	Need to do
Giving to charities	Addressing social issues
Low impact in the community	High impact amongst stakeholders
Donating money	Creating partnerships
Unfocused “shotgun” approach	Strategically aligned focus
Short-term whimsy	Long-term planning

Corporate Giving in the 'New Economy'

- In the fall of 2008, 42% of corporations and 37% of corporate foundations surveyed predicted their charitable giving budgets would decrease in 2009.
- Halfway through 2009, 52% of corporations and 47% of corporate foundations are reporting actual declines.



Corporate Giving in the 'New Economy'

- Corporations and their foundations are showing their support for their communities by marshalling other, non-cash resources.
- More than 84% of corporations surveyed say they are encouraging more employee volunteerism to offset a decline in cash giving. More than 48% have increased the number of volunteer events this year. And almost 45% report increased participation rates in their employee volunteer programs.

Corporate Giving in the 'New Economy'

- Companies are stepping up product and in-kind donations.
- 15% report they are increasing their in-kind donations (such as meeting space, office equipment, etc.).
- 12% are increasing their product donations (products they manufacture, such as pharmaceuticals, apparel, etc.)

Corporate Giving in the 'New Economy'

- Almost half the corporations in the survey report that they are emphasizing partnerships with nonprofits over straight cash donations.
- Half are also paying more attention to measurability and nonprofit accountability. "It's not just check writing anymore," says Donna Devaul, executive director of LBG Research Institute. "Corporations want measurable results and are actively seeking nonprofit partners that can produce win-win, impactful programs."
- In fact, one-third of the survey respondents say they are actively seeking new nonprofit partners to better match strategic goals.



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"Making the Most of What We Have: Corporate Giving in the New Economy"

Trends affecting Corporate Giving

- Competition
- Mergers and takeovers
- The economy
- Less consumer brand loyalty
- Multiple similar products
- International trade
- Scandals and media coverage



The Result of these Trends

- Traditional corporate giving programs have been eliminated or restructured
- Corporate giving is seen as more of a business function
- Corporate giving is directed from the top
- Larger gifts may not come through corporate giving programs
- Corporate leaders mix personal with corporate
- Decisions are seen as strategic rather than benevolent
- Smaller less known companies are making big gifts



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Corporate Social Responsibility/Social Marketing/Cause-Related Marketing

- Corporate Social Responsibility (CSR) is not about philanthropy: it is about how companies earn their money, rather than how they spend it on good works later. At *Business for Social Responsibility* it is defined as "achieving commercial success in ways that honor people, communities, the environment and ethical values." **CSR Supplement to the *New York Times*, November 1, 2005**
- Corporate social marketing campaigns the 'grown-up' face of corporate cause marketing
Embedded philanthropy: The strategic alignment of a company's brand with a specific social cause to the extent that supporting the brand means supporting the cause.
Contribute New York, September/October 2006.



Corporate Social Initiatives

- Corporate social marketing (where behavior change — for the sake of improving health, safety or the environment — is always the aim).
- Cause promotion (sometimes called “cause marketing,” supporting social causes through paid sponsorships or promotions).
- Cause-related marketing (donating a percentage of revenue from the sale of specific items during an announced period of support).
- Corporate philanthropy (including direct cash grants to a charity or cause).
- Community Volunteering (wherein employees are encouraged to volunteer in the local community).
- Socially responsible business practices (discretionary activities, such as the use of recycled and reduced packaging, intended to align a corporation’s conduct with a generally perceived social good).

Philip Kotler and Nancy Lee in *Corporate Social Responsibility: Best Practices for Doing the Most Good*

Recent Trends in Corporate Giving

- Align Community Relationships to Business Strategy
 - Align donation strategy to brand
 - Reputation enhancement
 - Distinguish from competitors
 - Looking for a good fit
 - Charities that are successful understand the community investment objectives

Recent Trends in Corporate Giving

- Looking for partnerships that go 'beyond the dollar'
 - Invitation only grants
 - Deeper, sustainable relationships for mutual goals
 - Higher level of engagement
 - Business is prepared to leverage:
 - ✦ Staff volunteers
 - ✦ Suppliers
 - ✦ Employee pride
 - ✦ Reputation value



Recent Trends in Corporate Giving

- A heightened focus on impact, accountability and performance measures
 - Benchmarking
 - Credible value
 - Report on how investment has made a difference
 - Get better at 'telling the story'
 - Think like a business – not enough to be passionate



Recent Trends in Corporate Giving

- A growing interest in issues, not just organization
 - Polling employees for their concerns
 - Less about specific agencies
 - Work with a sector
 - Encourage alliances, collaboration



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Recent Trends in Corporate Giving

- Creating shared value
 - Business value intersecting with social value
 - Partners in finding solutions
 - Alignment on a social issue



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What does this mean for you?

- What can we offer?
 - Improve image in the community
 - Provide good publicity and recognition
 - Show they are a responsible corporate citizen
 - Help improve their marketing and sales
 - Help their image with government & business
 - Help a great organization
 - Help meet community needs



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What might work best for you

- Know your organization – background information, client groups, strengths/weaknesses
- Define benefits and recognition options
- Know what you need – cash, product, advice
- Evaluate your tolerance for partnerships – pros & cons
- Test the waters with short-term relationships – event sponsorships, time-defined programs – before moving on to larger, more complex, longer-term relationships
- Prepare partnership policies and guidelines
- Know the legal and tax ramifications
- Set limits and acknowledge grey areas
- Define who decides

Finding a good match – building a prospect list

- What companies do we already have a relationship with? Suppliers?
- What companies support similar organizations? Donations policy?
- What contacts do your board and leadership volunteers have?
- Which companies are within our service area?
- More research: annual reports, Imagine, business news, Chamber of Commerce, are there corporate sectors more generous than others?
- Electronic resources!



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Finding a good match – researching

- Grant-Giving Corporations – from Charity Village
- <http://www.charityvillage.com/cv/ires/fund.asp#corp>
- The Grantsmanship Center – index of Canadian funders
- <http://tgci.com/fundingcanada.shtml>

- Imagine Canada's "[Canadian Directory to Foundations and Corporations](#)"

- PRO-Online (Prospect Research Online) Rainforest Publications (fee-based database)
- <http://www.rpbooks.com>
- BIG Online (fee-based database)
- <http://www.bigdatabase.com>

Does it fit? Ours vs. Theirs

- Mission, Goals & Objectives
- Members, clients, other audiences
- Programs
- Community networks
- Public profile
- Geographic locations (service area)

Preparing an approach

- **Tactics:**
 - ✦ Who you contact, getting in the door (donations officer vs. executive)
 - ✦ How you approach them (writing vs. phone contact)
 - ✦ Start the conversation from common ground
 - Same audience
 - Compatible service
 - Located in the same area
 - Someone who works there has an association with your organization
 - Make friends – tours, invites, informal meetings
 - Involve them as partners before you move them to funders

Who do you contact?

- *Philanthropy/social responsibility/community engagement.* Such offices are generally found only in the largest of companies, but are logical contact points if they exist.
- *Public relations/marketing.* These staff may or may not be officially charged with fielding requests from nonprofit and public agencies, but they do understand their connection to "community relations." Present your volunteer recruitment as an opportunity for positive image building and customer development.
- *Human resources/personnel/employee assistance.* Again, while employee volunteering may not officially be a human resources function, your approach here would be that volunteering: 1) builds staff teamwork and morale, 2) can be a way to train employees in new skills, or 3) can be a part of pre-retirement counseling.
- Don't do an 'end run' around the point person.



Important information to be confirmed

- Timing – check deadline for proposals, know their business cycle
- Funding interests – are you talking the same language?
- Exclusions – what do they not want to see, or who won't they fund
- Contact information
- Proposal technical requirements – number of pages, number of copies



Articulating your message effectively

- Because you've got a short amount of time or space to convey who you are and why you're calling or writing, you'll need to hone your skills in describing yourself.
- You need to use clear, concise language that quickly tells the reader who you are and what you want from them – and why they should care.
- Present the need in human terms - in terms of your clients' needs and problems, not in terms of your needs.
- How will you solve the problem?



Tips for the Statement of Need

- Avoid generalities
- Describe the need in human terms
- The community has needs, you are the solution
- Explain the consequences if the need is left unmet
- Give the reader hope – a vision of the need met
- Connect the prospect to the solution



Making the Ask

- What's the same?
 - Giving decisions are always made by people, whether it's in groups or as an individual
- What's different?
 - Companies exist to make a profit and benefit their owners



Making the Ask

- Will it make a difference what we ask for?
 - Cash
 - In-kind stuff
 - In-kind service
 - Professional advice
 - Sponsorship



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5 things to get you started in corporate partnerships

- **Consolidate:**

- How many times are you and your co-workers and volunteers out in the community making asks of local business? Control how often your local business gets hit up by consolidating that requests and asking once for everyone. Create a list of needs – product, services, advice – so everyone knows what’s being asked of who.
- Also, centralize the expertise. Who is the best person to ask? Strategize about who the right person is to make the request, and think about timing. It doesn’t have to be just one person, but it should be the right person.



5 things to get you started in corporate partnerships

- **Connections:**
 - What connections does your board have? They are your representatives from the community, and often the for-profit world. Are they willing to use their contact list to make requests on your behalf?

5 things to get you started in corporate partnerships

- **Contacts:**
 - Who are we already in business with? Can we look at the accounts payable for a list of businesses we already work with, and get an idea of partners. Who might be receptive to requests for donations or sponsorships? What are their business interests? How can we help them achieve those goals in a mutually-beneficial partnership?
- **Colleagues:**
 - Who are our natural partners?
 - Who else is in our business? (We may consider them competition!)

5 things to get you started in corporate partnerships

- Communication
 - Learn business-speak, less library-speak
 - ✦ Customers, clients
 - ✦ Grow the business
 - ✦ Generate new business
 - ✦ Investment
 - ✦ Efficiencies, effectiveness
 - ✦ Networking, engagement

5 things to get you started in corporate partnerships

- Collateral:
 - What recognition can we offer? (Remember it's marketing)
 - What do we have that's of value to business partners?
 - Who are our constituents?



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Leveraging Corporate Relationships

- Reading is Fundamental receives 80% of its revenue from corporations – developed a campaign to use those relationships to increase individual giving
 - Sponsorship shifts: from event driven sponsorships to cause marketing to philanthropic marketing, where the company and nonprofit work together to build a strong philanthropic culture between the two.
 - Employee mindset changes: encouraging event participation to volunteering to become advocates and donors by creating relationships separate from their workplace.
 - Acquisition: finding new people to add to your list is getting harder by the day - working with a company will give you access to people who might not have engaged with your organization on their own.
 - Leverage the company's money: A partnership between Nestle USA and RIF averages approximately \$200,000 per year – half employee giving and half corporate match.

After the Gift

Ways to keep them involved:

- Corporate Advisory Committee or Council
- Special Events
- One on one meetings and updates
- Awards, ongoing recognition
- Seek advice and help
- Newsletters and other communications
- Personalize!



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Fundraising Policy

The high anxiety of partnering with businesses!

Develop a policy for receiving gifts from business
– set your boundaries, know when to say no.

Fundraising Policy

- Preparing the groundwork for corporate fundraising
- Are you ready for business with business?
- Policies – giving direction, providing backup to say no
 - Articulating brand consistency
 - Access to your market
 - Sample policies -
<http://www.sols.org/links/clearinghouse/fundingdev/resources/sponsorships/samplepolicies>
 - PLA policy



Some final thoughts...

- Even executives are people
- Know as much as possible about the company before the first meeting
- Notice what's on the walls and desk at the meeting
- Don't be on time – be early
- Have a sense of humour
- Be brief and to the point
- You might be a pleasant break in their day
- Observe time constraints
- Listen, ask opinions and advice – listen more than talk
- Thank them for their time
- Follow up with a note
- Keep feeding them information

End of the morning session

Thanks & questions



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