

Maintaining Your Competitive Edge with Business Partnerships

AmeriCorps* National Best Practices Conference
May 6, 2009



Susan Hyatt
Project TAAP



Overall Workshop Goal

- To share **ideas** and **best practices** about ways to **retain** current business supporters and **develop new** relationships which go beyond “begging for a check” to designing **sustainable, mutually beneficial, and strategic** partnerships.



Recession Proof Resources

- Expanded mindset to create multi-prong relationships with companies for MUTUAL BENEFIT
- Willingness to grow the relationship – don't expect the "full meal deal" out of the gate
- Thinking past grants and cash donations
- Avoiding "David and Goliath" asks
- New creative approaches – who needs another rubber chicken dinner?

Business Challenges with Nonprofits

- Nonprofits are often not receptive to engaging in creative programs with higher levels of business involvement – beyond just asking for checks.
 - *Niki Leodankis, COO, Kimpton Hotels*
- Many nonprofits are risk-averse. They are playing not to lose rather than playing to win. Such risk-aversion has a negative impact on innovation.
 - *John Sage, Founder, Pura Vida Coffee*

Not engaging in dialogue!



Win/Win Partnerships

- To be truly effective in developing long-term partnerships with businesses, nonprofits **MUST** think not just about their organizational needs but also about the needs of businesses.
- Understanding business needs and trends helps nonprofits communicate more effectively with businesses and “stand out from the crowd” when making their ask.



Declining Financial Support for Nonprofits

- During the last 4 months of 2008, Colorado nonprofits experienced a decline in key revenue streams:
 - 37.2% Corporate Donations
 - 29.7% Special Events
 - 29.5% Individual Donations
 - 27.1% Foundation Grants
 - 20.8% Fee for Service
 - 17.8% Government Grants
 - 12.5% Planned Gifts
 - 10.3% Memberships

(From: 2009 Study by Colorado Nonprofit Association and Community Resource Center)



Time to Refocus (Or Develop) Your Strategy

- Think and Talk RESOURCE DEVELOPMENT
 - *Not Just "Fundraising"*
- Consider Business Needs
- Seek New Partnerships
 - National Level: larger businesses
 - Local Level: smaller, local businesses
- Provide a Deeper Experience
- Share Results Systematically



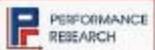


2009 Study by Performance Research



Comprehensive Research Study:

- On-line study (February 23-28)
- Nationally representative of U.S. consumers
- 1000+ Respondents
- Ages 18-64, equal gender, range of HHI
- All AVID Involvement with sports, arts, or causes
- Open forum feedback
- Qualitative one-on-one discussions



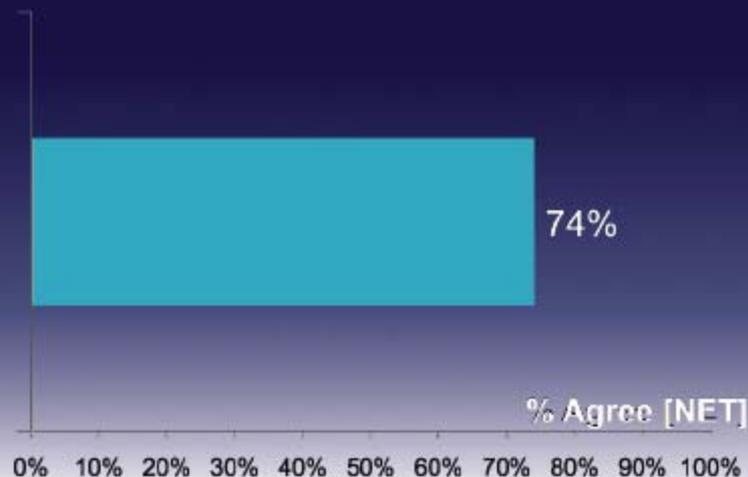
From a presentation at the March 2009 IEG Sponsorship Conference, Chicago IL.
www.performanceresearch.com

Consumer Opinions Matter...



Today's Consumer Says...

"I think more now about wasteful spending by corporations than I ever have"



Total; N=1005

"Today, how would you rate how much you agree or disagree with the following statements?"



Source: Performance Research Study (March 2009) –
Consumer Viewpoints on Corporate Sponsorship in the Current Economic Crisis



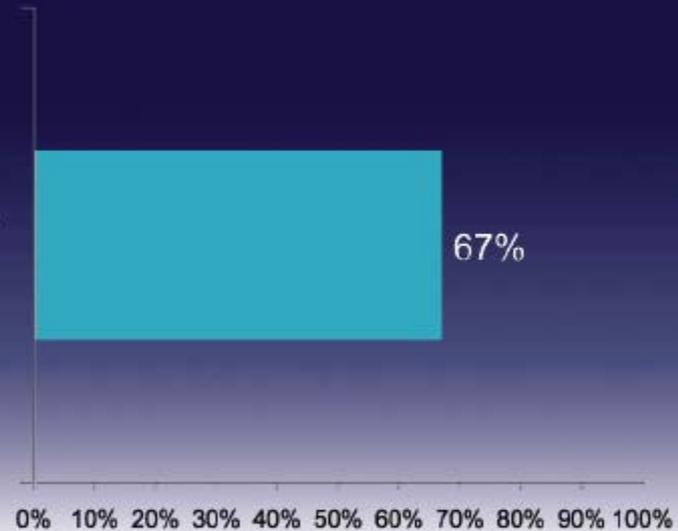


Corporate Approval Drop



Approval Ratings of Corporate America

Lower approval than a year ago



Total; N=1005



"Overall, has your approval rating of how corporate America conducts business today changed from what it was a year ago?"

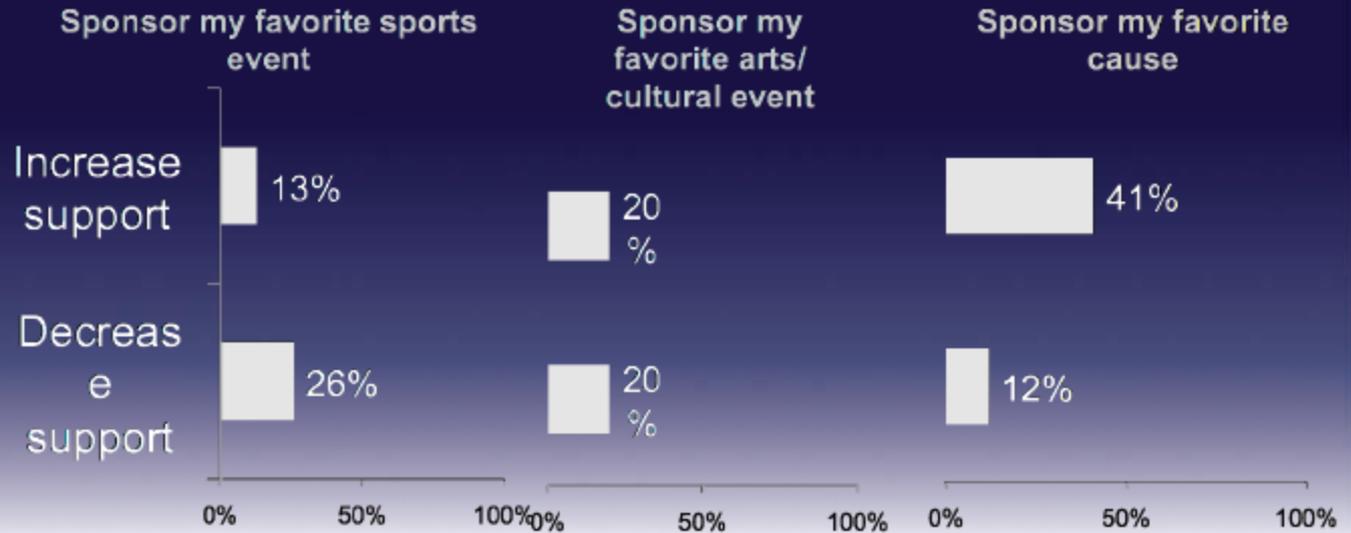
Source: Performance Research Study (March 2009) – Consumer Viewpoints on Corporate Sponsorship in the Current Economic Crisis



Raising Consumer Opinions



Corporations Can Raise My Opinion if They....



Total; N=1005

 "In order to raise your opinion of corporate America in the near future, would you like to see increases or decreases in the following areas?"

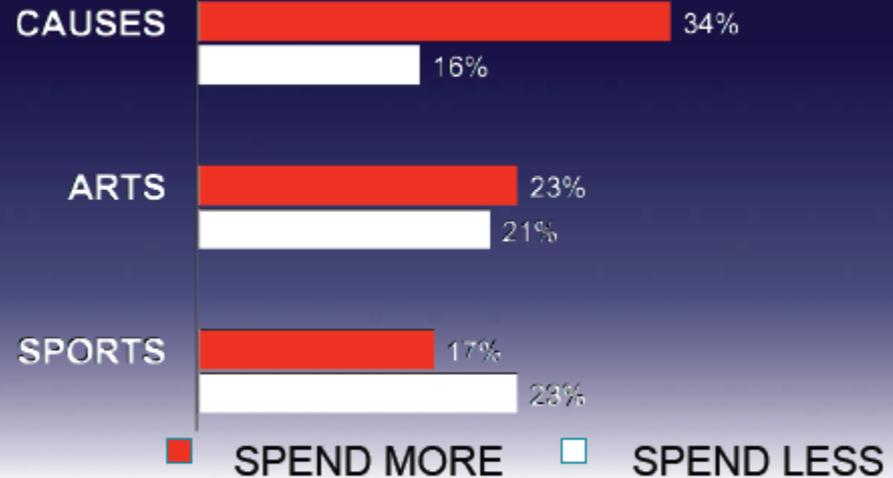
Source: Performance Research Study (March 2009) – Consumer Viewpoints on Corporate Sponsorship in the Current Economic Crisis



Spend More on Causes



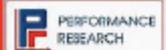
Should STABLE Companies Spend More, the Same or Less? (SUMMARY)



Total; N=1005

“Given the current state of the economy, AS A CONSUMER which of the following would you most like to see from corporate America?”

Source: Performance Research Study (March 2009) – Consumer Viewpoints on Corporate Sponsorship in the Current Economic Crisis



Research Summary

A few comments...

Priorities-priorities-priorities !!!! Corporate responsibility to the community which keeps them going in these desperate times should be number one.

*Sponsorships of non-profits provide a good look into the **company's soul**.. But sponsorship of sports makes you look like you are giving the money away.*

*Do what **is morally right!***

*Non profit organizations give the sense that you **care more about what is going** on in the country, **almost like being patriotic.***





Trends in Business

- Concern with business social responsibility and the Triple Bottom Line
- Integration of social responsibility into branding and reputation
- Philanthropy aligned with business goals
- Moving beyond checkbook philanthropy – want greater hands on involvement
- Integrated involvement with fewer partners
- Greater emphasis on ROI and overall impact
- More creative due to economic stress

Desire to do "their part" but may not know how

Why Businesses Give Back

- “The Right Thing to Do”
 - Altruism and Demonstration of Business Values
- Clean up a Tarnished Image
- Build Good Will as Prevention
- Achieve Business Goals AND Make a Difference



Community Involvement Breakdowns

Total Giving:

- 48.8% = *charitable*
- 35.9% = *strategic*
- 15.2% = *commercial*

- In charitable giving, the company anticipates no business benefit.
- In giving strategically, companies expect that that the community and the business will each benefit from the contribution.
- Commercially-motivated giving prioritizes business benefit above community benefit.

*2004 Corporate Giving Standard Survey, Boston College Center for Corporate
Citizenship, <http://www.bcccc.net>*



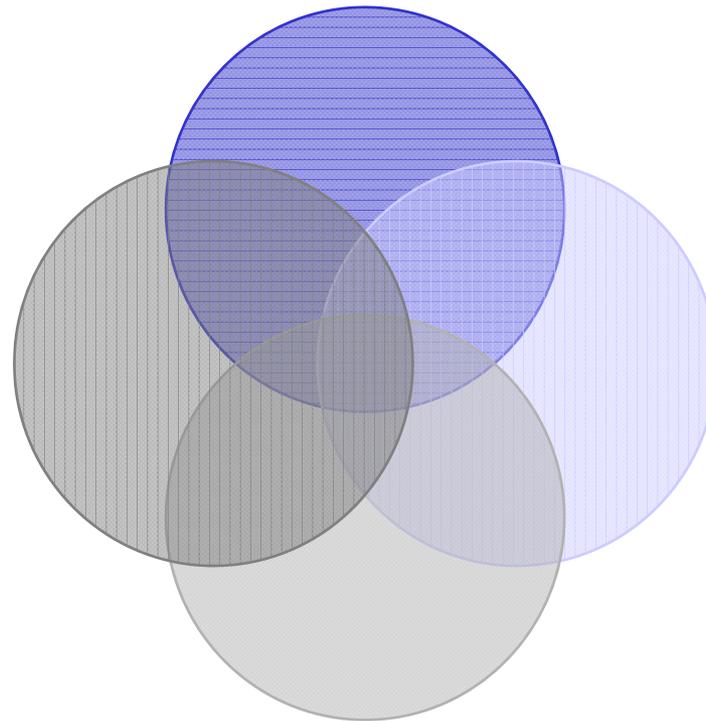


Four Primary Business Benefits

Employees



*Investors
&
Capital*



*Reputation
&
Brand*

*Customer
Loyalty & Sales*



Menu of Options

Of course...we all want cash
....but what else is there?



CONTRIBUTIONS

Dollars

In Kind

People

COMMERCE



The 4 Business Hats

1. Business as an Advocate
2. Business as a Broker
3. Business as a Resource
4. Business as a Catalyst

*From Eileen Sweeney, formerly with United Airlines Foundation,
now with Motorola Foundation*



10 Steps in Designing a Business Partnership

- 1. Reflect on Experience to Date*
- 2. Clarify Your Mission and Assets*
- 3. Clarify Your Range of Needs*
- 4. Define Business Needs You Could Address*
- 5. Identify Possible Ways to Connect*
6. Identify/Research Potential Business Connections
7. Make the Ask
8. Develop, Manage, and Grow the Relationship
9. Assess Success and Debrief
10. Tell the Story & Give Thanks and Recognition





What Company:

- Is located near you
- Has similar general interests
- Serves same audience
- Has (or can access) resources you need
- Can offer a solution to their problem
- Have an existing relationship with
- Have connections to (family/friends/staff/board/partners)
- Already use as a vendor/supplier
- Fit



Considerations

- Would you accept money or other resources from any of the following and under what circumstances?
 - Wal-Mart
 - Enron
 - Phillip Morris USA / Altria, Inc.
 - A brewing company
 - Casinos
- Are there companies with which you would not be interested in partnering? Why?
- Are there local companies whose reputations could enhance yours? Why?

Strategy Varies by Business Size

- Large
- Medium/Mid-Market
- Small
 - Check website
 - Past involvement – who, how, how much?
 - Grant guidance
 - Read annual report
 - Read press releases
 - Signage in Store/Restaurant
 - Other??





Internal Line Items to Tap

- Philanthropy/Giving Budget
 - Community Relations
 - Separate Corporate Foundation
- Marketing/Advertising
 - Sponsorship Marketing
 - Cause Marketing
- Human Resources
 - Volunteers (paid?)
- Supply Chain/Cost of Goods/Production
- Service Vendors (e.g., mailings, catering)
- Distribution/Sales



Discussion

- What has been your overall experience with business supporters to date?
 - Are they really “partnerships”?
- What changes have you seen in how businesses are doing their philanthropic/community activities in these times?
- What strategies are you using to retain your competitive edge?
- Ideas for moving forward?