

Making private-sector  
partnerships work  
for *YOUR* nonprofit.

Presented by



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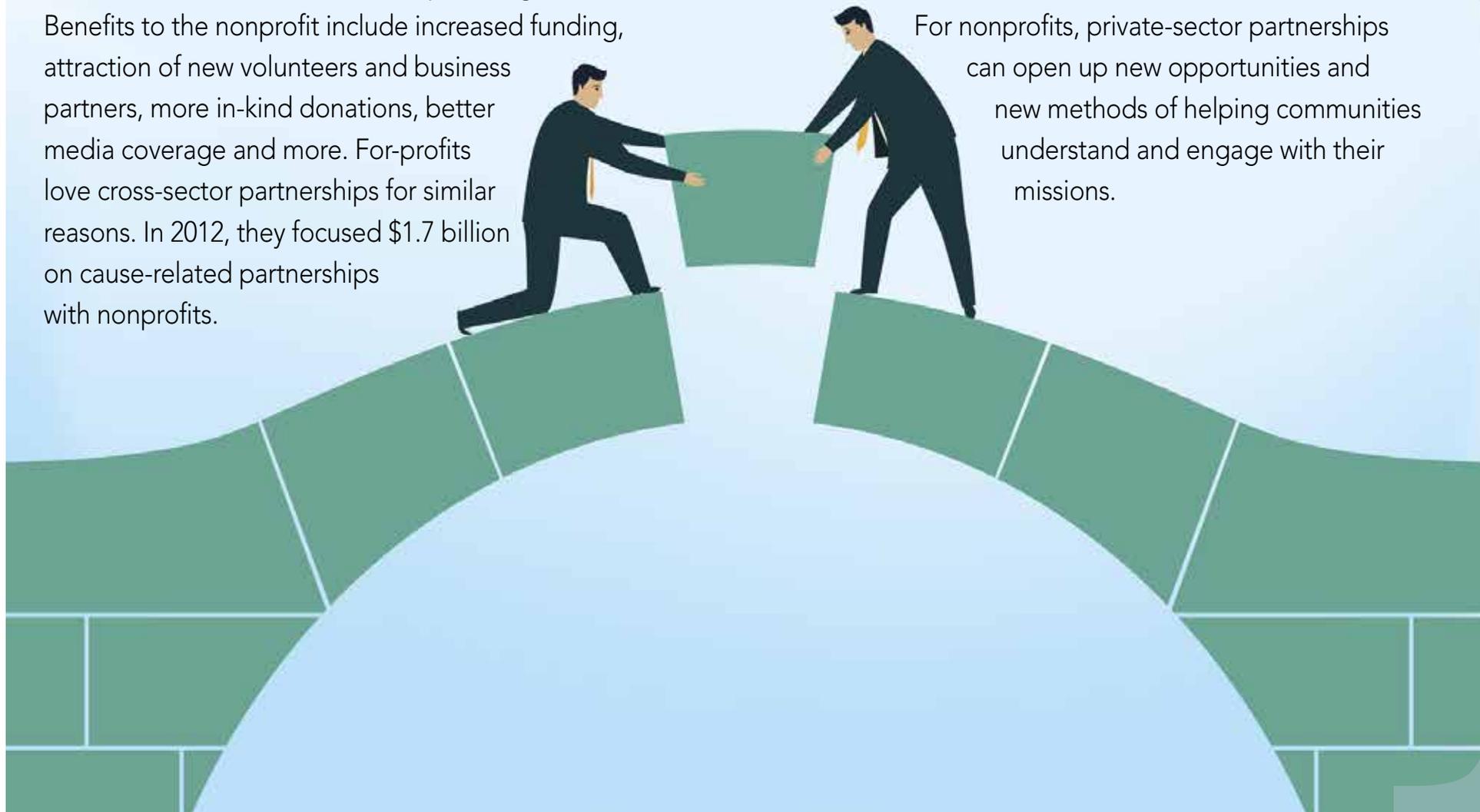
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# 1 Introduction

It's been said: Nothing in business provides as much economic and social benefit as a strategic partnership between nonprofit and for-profit organizations when focused on the greater good. Cross-sector partnerships work best for small to midsize nonprofit organizations. Benefits to the nonprofit include increased funding, attraction of new volunteers and business partners, more in-kind donations, better media coverage and more. For-profits love cross-sector partnerships for similar reasons. In 2012, they focused \$1.7 billion on cause-related partnerships with nonprofits.

On a smaller scale, nonprofits can make great strides by partnering with private-sector companies on specific initiatives or projects they could not otherwise afford, or afford to do well.

For nonprofits, private-sector partnerships can open up new opportunities and new methods of helping communities understand and engage with their missions.



# 2

## Lessons in Good Giving: Corporate Social Responsibility Today

The roots of corporate philanthropy in the United States date back to the rise of industry in the 19th and early 20th centuries, when business pioneers like Henry Ford and John D. Rockefeller established a number of philanthropic foundations.

### **From “nice to do” to “in our DNA,” in corporate giving, times have changed**

It used to be that a company’s philanthropic strategy largely boiled down to a decision about which large, generic charity would receive a donation and how big the check should be. Employees were seldom involved and the giving had little to do with the rest of the company’s strategy for growth.

Although companies are still writing checks, they’re doing it in the context of carefully crafted strategies that target specific causes based on geography and/or alignment with business goals. When they do write checks, they expect transparency and results-oriented data. They supplement cash contributions with product donation, skills-based volunteering and long-term relationship building with nonprofit organizations to provide ongoing resources. The choice of cause to support is no longer dictated by the CEO’s passion but rather by company strategy, with employees contributing their vision for making the world a better place.

While still not at pre-recession levels, corporate giving rose

by 12 percent in 2014 over the prior year to \$17.8 billion, according to “Giving USA,” an annual report on American philanthropy.

### **Firms of endearment**

More and more often, companies are seeing the causal relationship between giving back to the community, whether local or global, and the company’s own health. “What’s changed over the years is that it used to be a ‘nice to do,’” says Daryl Brewster, CEO of [CECP](#), a coalition of 150 Fortune 500 CEOs who believe that investing in societal engagement brings a critical return. “We’re approaching an emerging sea change as leading companies move from occasional check-writing to increased community engagement, viewing societal advancement as a key measure of business success.”

The market has responded in kind. Brewster points to the 2012 study by [Babson professor Raj Sisodia](#), which looked at 28 companies identified as the most conscious – “firms of endearment” as Sisodia calls them – based on characteristics such as their stated purpose, compensation, quality of customer service, investment in their communities and impact on the environment. Out of the 28, the 18 companies that are publicly traded outperformed the S&P 500 index by a factor of 10.5 over the years 1996-2011.

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Jane Madden, managing director and head of U.S. Corporate Responsibility for global PR firm Burson-Marsteller, says the outperformance of socially responsible companies isn't so much about investors rewarding companies for their good deeds as it is that those companies that invest in their environments and communities make better strategic decisions. "If you are measuring and managing your environment, including social and governance impact, you're just a smarter company. You're minimizing risk and maximizing opportunity, and that has a definite positive impact on the bottom line."

Sue Desmond-Hellmann, CEO of the Bill & Melinda Gates Foundation, in her "What If..." letter, said, "One reason we're optimistic is because we increasingly see private sector partners stepping up with resources and expertise outside the norm for global health and development."

## **The consumer has spoken**

The data show that consumers increasingly do make purchasing decisions based on a company's corporate citizenship. According to Nielsen's 2014 corporate social responsibility survey, 55 percent of global respondents said they would be willing to pay more for products and services from companies that are committed to positive social and environmental impact, up from 50 percent in 2012, and 45 percent in 2011.

## **Don't call it "giving back"**

Stephen Miller, CEO of Dillon Gage Metals, objects to the term "giving back." Miller says, "It kind of implies that busi-

ness people have 'taken things' and now we're feeling guilty, so we're going to give them back to the poor folks. Most of the men and women I know in business have worked their tails off and sacrificed a great deal for the success they enjoy. So, for me, this kind of work is not a social payback. It's just plain smart business."

In 1984, Miller cofounded the nonprofit [HELPS International](#) to provide relief and development services for the country of Guatemala. The organization also provides loans to farmers to purchase quality fertilizer and tools to grow corn more efficiently. Executives and employees at Dillon Gage support HELPS by participating in community projects, including installing new stoves and water filters in homes. Other employees participate by raising money or covering for employees who travel to Central America to donate time and service.

## **A recruiting advantage**

Miller notes that people genuinely like to work for "good" companies. He is among many CEOs finding that good corporate citizenship is increasingly an advantage in the ongoing war for talent. A 2011 Deloitte Volunteer Impact study found that 61 percent of Millennials consider a company's commitment to the community when making a job decision.

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## What's the difference between "cause marketing" and "corporate philanthropy?"

The Cause Marketing Forum defines cause marketing this way: *Cause Marketing encompasses a wide variety of commercial activity that aligns a company or brand with a cause to generate business and societal benefits.*

According to their website, Cause Marketing is not "Social Marketing," the use by nonprofit and public organizations of marketing techniques to impact societal behavior (e.g. stop smoking, don't pollute, don't use drugs, don't drive drunk.) Corporate Philanthropy is the giving (without expectation of direct corporate gain) of charitable financial and in-kind grants by companies or their corporate foundations.

In one of the earliest and best examples of cause marketing, American Express entered the scene in 1983 with its iconic Statue of Liberty Restoration project. Within the campaign period, every American Express card transaction unlocked a penny toward the effort and for each new card issued, a dollar was given to the preservation of the Statue of Liberty and Ellis Island. Over a four-month period, \$1.75 million was raised for restoration, new users grew by 17 percent and transaction activity jumped 2 percent.

### Who's doing well at doing good?

*The Civic 50*, an initiative of [Points of Light](#), in partnership with Bloomberg LP, honors the 50 most community-minded companies in the nation each year as determined by an annual

survey. By sharing the best practices of community engagement and benchmarking companies against each other, *The Civic 50* presents a roadmap for how companies are using their time, skills and other resources to improve the quality of life in their communities.

*The Civic 50* winners were selected based on four dimensions of their U.S. community engagement program:

#### **Investment:**

How extensively and strategically the company applies its resources to community engagement, including employee time and skills, cash, in-kind giving and leadership.

#### **Integration:**

How a company's community engagement program supports business interests and integrates into business functions, or how it "does well by doing good."

#### **Institutionalization:**

How the company supports community engagement through its institutional policies, systems, and incentives.

#### **Impact:**

How a company measures the social and business impact of its community engagement program.

# 3

## Benefits of the Cross-Sector Partnership

Before going further, it's important to outline the benefits offered to each side of such a partnership. At the risk of stating the obvious, the partnership won't have much of a future unless there are clear benefits to each partner.

[Bruce W. Burtch](#), an internationally recognized cause marketing and cross-sector partnership expert, offers the following:

### Benefits for the private-sector company:

- Creating greater public trust in the company
- Enhancing the company's image or reputation
- Building "brand awareness"
- Creating goodwill
- Increasing profits
- Attracting investors
- Increasing employee morale and attracting and retaining employees
- Providing a competitive advantage

### Benefits for the nonprofit:

- Gain revenue
- Obtain in-kind services or resources
- Diversify income streams
- Facilitate greater capacity to provide a service
- Enhance the organization's reputation
- Increase public recognition and build greater community awareness of the cause
- Attract volunteers and donors

# 4

## Is your organization ready for corporate sponsors? Here's a checklist

Corporate sponsorships are the simplest form of private sector partnership. Patricia Martin, an experienced corporate sponsorship specialist, provides ideas for developing the skills, attitudes, and insights that will help your organization work with corporate sponsors in her book *Made Possible By: Succeeding With Sponsorship*. To see if your organization is ready for corporate sponsorship, Martin provides the following checklist:

- Do you have an established marketing effort in place so that you keep in touch with your constituents through e-mail, a website, events, newsletters, conferences, television, radio or print advertising?
- What do you know about your organization's demographics? Is there recent information about who participates and why? Where they live? How far they drive? Whether they are repeat users? Whether they are young families, empty nesters, or teens?
- Have you worked with corporate sponsors before? Do you have testimonials from corporate executives about the value of your organization? Do you feature those in press kits or other marketing materials?
- What is the competitive environment like? Are other organizations similar to yours getting corporate sponsorships?
- Is there an entrepreneurial spirit in your organization? Are new ideas welcomed, and do they receive thoughtful consideration? Have other commercial or revenue-generating initiatives been realized over the past five years?

### In sponsorships, it's all about connecting

We asked Veronica Brady, Senior VP for Philanthropy at the Venice, Florida-based [Gulf Cost Community Foundation](#), to tell us something about successful sponsorships. She said in sponsorships, the nonprofit should have one goal in mind: to allow people to connect – to the organization, mission and staff, and volunteers. Be sure to plan your events accordingly. She also points out that when seeking funding for a particular initiative, nonprofit professionals should be realistic and think it through. She reasons that, in some cases, you may be better off approaching a single private donor.

Stephanie Grosskreutz, Executive Director of the [Ringling College Library Association](#), says her organization offers sponsorship packages, but is always willing to customize a sponsorship. And she emphasizes that you don't want to have competition among sponsors, so it's important to be selective in sponsor solicitation to avoid having too many of the same business type.

Those conversations get started in a variety of ways. Often times a board member will mention something, then the "connector" will pass that along to development by phone or e-mail. Or it could be a community connection.

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## What Makes A Good Relationship?

Jocelyne Daw, author of *Cause Marketing for Nonprofits: Partner for Purpose, Passion and Profits*, says a successful partnership has a few important ingredients:

- **Think win-win:** Cause partnerships are about win-win relationships. Ask what's important to your partner. How can you help them achieve their goals? In return, think about what your organization wants to get out of the relationship – exposure, revenue, new friends? Communicate your needs, listen to theirs and work collaboratively in a way that is win-win. Success for both partners ensures a relationship, not a transaction, is the end result.
- **Focus on values alignment:** Daw writes of the importance of ensuring positive brand and “DNA” alignment. Working with a company that shares your organization's values and commitments will ensure a better fit and offer the potential of a longer-term relationship.
- **Combine strengths:** A cause-marketing partnership is only as strong as the relationship your organization has with a company. Find out what each of you has to offer, be it strategic planning, communications, marketing, technology or tracking of the project's success. Combine those strengths to make the best campaign, event or project possible.
- **Have structure, framework and legal requirements in place:** While corporate sponsorships provide valuable income to nonprofits, they must be careful to structure mutually beneficial and protective relationships. To avoid risks, especially of implied endorsement, nonprofits are now clearly articulating all aspects of cause marketing part-

nerships and performing due diligence to make sure that no conflicts of interest exist between the nonprofit and the partner company.

- **Plan, under-promise and over-deliver:** Joint planning up front ensures that both partners understand what is expected. It outlines a timeline and roles and responsibilities of both partners. Under-promise and over-deliver is important in managing your partner's expectation. Better to succeed and surprise than fail and disappoint.

### Approaches involve flexibility, variety and creativity

Martha Wells, Director of Community Engagement for the [South Florida Museum](#) in Bradenton, Florida, enthusiastically describes three kinds of relationships her nonprofit seeks with the business community:

1. The mutually beneficial marketing-based relationship: A corporation wants to reach a particular audience. Let's say they want to reach high net-worth individuals and families. They can gain access to those individuals by sponsoring the museum's annual gala and other events. Bank of America is now in the second year of a three-year commitment to the museum.

The museum's status as a major cultural asset fits well with another partner, Northern Trust, and their focus on quality of life.

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There is a variety of corporate involvement in the museum's annual gala and its "birthday bash" for Snooty, the oldest known manatee in the world, who resides in the museum's Parker Manatee Aquarium. This encompasses banks, law firms, medical practices and others.

Another example is a potential cooperative marketing program with a new regional shopping mall that is about a half-hour away.

2. The conventional, truly philanthropic relationship: Foundations' scholarship programs are a good example. Scholarships help to pay for museum admissions for disadvantaged populations, or public school children, fitting nicely with the museum's education programs.

3. Media partners: Media organizations tend to give in-kind, which creates a win-win. It helps the museum raise awareness in a much wider circle than it would otherwise be able to, and helps the media organization bring value to their audiences with specific insight into what's going on at the museum.

## **A two-way street**

In approaching private-sector partners, Wells says her team tries to offer a mixture of both pre-assembled "packages" of sponsorship opportunities, and more customized, individual opportunities for potential partners to consider.

Wells advises nonprofit professionals charged with community engagement to first have a conversation to see what's of interest/value to the partner, and then put a package together

as an opening point for discussion. Then do a back-and-forth, learning about each other so the partner understands what's "expensive" and what's "valuable" to the nonprofit. Keep in mind that it's a two-way street. Avoid working on assumptions. Be sure the private-sector partner understands your needs. Fundraising and communications consultant [Jay Wilson, APR, CPRC](#), sums it up very briefly: "Do your homework; make it a policy to find win-win scenarios; steward your donors; repeat."

## **Case Study: Easter Seals Southwest Florida & Willis A. Smith Construction**

"You need two things: First, leadership that is open-minded and wanting to make a difference. Second, you have to have aligned cultures."

That's the way Tom Waters, President & CEO of [Easter Seals Southwest Florida \(ESSWFL\)](#), describes the makings of a good partnership. Tom's passion is evident when he talks about the partnership between his nonprofit and Willis A. Smith Construction.

ESSWFL has been providing a variety of services for children and adults with disabilities and their families in Sarasota and Manatee Counties for more than 70 years. From the humblest of beginnings – in borrowed space in an empty WWII army barracks – the organization served local children impacted by the polio epidemic then sweeping the country. Today, this member of the national "Easterseals" organization serves more than 500 clients and their families annually, providing medical rehabilitation and education, patient therapy and counseling, and support services for persons with disabilities.

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[Willis A. Smith Construction, Inc.](#) is a privately held construction management firm based in Sarasota, Florida. The 44-year-old company provides planning, construction and construction-related services in markets that include education, healthcare, commercial/mixed-use and hospitality.

Willis Smith has a longstanding reputation for giving back to its community on Florida's gulf coast. Willis Smith Vice President John LaCivita, who has served on the ESSWFL board of directors since 2008, says the company's 74 employees are logging about 3,800 volunteer hours annually in service to more than 30 local nonprofits. With pride impossible to conceal, he mentions that this far surpasses the hourly level required to earn the [U.S. President's Volunteer Service Award](#).

Waters defines very precisely what LaCivita and his team at Willis-Smith have brought to the relationship, and says it comes down to leadership and expertise. He says their expertise, motivation and passion have combined to help ESSWFL restore and upgrade its much loved, but aging facilities, which were built in 1958. One example of this "refresh" is a multi-purpose room that has been transformed from a rundown, practically unusable space, to one that enables them to joyfully offer "yoga for the little ones."

Waters calls LaCivita a "leader, igniter and connector." He offers two examples of the "third party credibility" that comes to life from this relationship. First, ESSWFL is connected to the business community through the efforts of Willis Smith's marketing officer. Second, because of their relationship and LaCivita's reputation, other potential funders tend to have

greater confidence that things will get done efficiently, safely and sustainably.

Pointing to one of the long-term benefits to the private-sector partner, Waters says he's aware of Willis Smith staff members who chose to work there because of the company's track record of corporate social responsibility.

*"If we work, live and play here, we need to give back."*

John LaCivita  
Willis A. Smith Construction, Inc.

# 6

## How to Pitch Private-Sector Partners

Martha Wells of the South Florida Museum says it's important that nonprofit leaders think about value to both their organization and any potential partner. It's easy to either undervalue what a nonprofit has to offer, feel self-conscious about asking for something, or fall into the trap of feeling a little entitled because the organization "does good work." For the long term, she likes the approach of evaluating the ROR (Return on Relationship) rather than ROI. Nonprofits are part of the private sector fabric of the community and it can take years for relationships to mature, so it's difficult to address current challenges and think about the long term at the same time. Focusing on value rather than cost can help sometimes.

Wells says, "Our goal is that it will always go beyond [exposure for the sponsor's dollars]. We will be sure to deliver a minimum of what is in the written agreement, and will always be a 'favored partner.' Also the personal touch is important to success."

### **The Business Value Proposition**

Bruce Burtch says for-profits love cross-sector partnerships for similar reasons. As a matter of fact, for-profits get even more benefits. These include increased sales and brand loyalty, better employee retention and shareholder return, free media coverage, new business partners, and of course tax deductions.

Burtch says you'll have to put on your "corporate business hat" to get in the door, and approach for-profits the same way a business approaches a new opportunity: by providing a Business Value Proposition (BVP).

To write a BVP that gets the nod, start by closely assessing potential partners, then:

### **Step 1: Find aligned for-profits**

Research for-profits in your area. Talk to staff, volunteers and other stakeholders, and check your local business journals or Chamber of Commerce for partner ideas. Create a list of companies that could best align with your organization's goals and mission.

### **Step 2: Do your homework**

Zero in on 2-3 companies. Then learn everything you can about their business and marketing objectives. Search the Internet and read their annual report, press releases and other company information. Use Hoovers.com, LinkedIn and other business information providers and people with connections at these companies.

### **Step 3: Integrate for-profit benefits and partnership goals**

Integrate the information from your research with the cross-sector partnership benefits discussed earlier and online, showing specific ways this partnership can provide "wins" for the company. And stay focused on the greater good of this partnership – it is the mission that drives the success of any cross-sector partnership. Then develop a business value proposition like they have never seen before from a nonprofit.

### **Step 4: Target the marketing department**

Marketing drives the revenue of any business and so the Marketing Department has the pulse of the company and the ear of the CEO, and it drives PR, sales and brand. Importantly, the marketing budget is usually over 100 times larger than their foundation budgets. So open the Marketing door first.

# 7

## The Author's Page

Steve Smith considers his work as chief storyteller for [Consonant Custom Media](#) to be the best of his career.

For more than 30 years, Steve's passion has been the strategic management of brands, identity and image. This award-winning creative director has also earned a reputation as an outstanding strategic planner and project manager. A contradiction? Maybe. A perfectionist? Absolutely.

Steve has worked with big brands, start-ups, nonprofits and academic/research institutions, including the Adventist Health System, USF Health, Subaru, Uniroyal and AT&T. He is a member of the Association of Fundraising Professionals and a past president of AdFed Suncoast. He led the team that created the [We CAN Florida](#) Alzheimer's awareness campaign. The American Advertising Federation, Florida Public Relations Association and International Association of Business Communicators have all recognized his work for creative excellence and effectiveness.



Since 1997, Steve has held the post of president & creative director at Stephen A. Smith & Associates, a marketing communications consultancy based in Sarasota, Florida. He previously held senior-level positions at several advertising and marketing communications firms.

In 2010, Steve launched [Consonant Custom Media](#) where he works with an amazing team of [storytellers](#), developing content that creates powerful emotional connections to help nonprofits make great strides in awareness, patient education, fundraising and community engagement.

Steve can be reached by phone at 941.309.5380 or by [e-mail](#).

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## Contributors & Sources

### Contributors

Veronica Brady, [Gulf Coast Community Foundation](#)  
Stephanie Grosskreutz, [Ringling College Library Association](#)  
John LaCivita, [Willis A. Smith Construction, Inc.](#)  
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*\*Some content may be AFP member-only access*

# Speaking of Partners, We'd Like to be Yours

At [Consonant Custom Media](#) we've cultivated some pretty impressive partnerships too. They include one of the nation's leading Alzheimer's research institutes, an internationally acclaimed prostate cancer treatment center, and the largest independent oncology/hematology practice in the United States.

Why do they work with CCM? They've learned that donors, patrons, private-sector partners, volunteers, charitable advisors and other communities can't be expected to invest in their mission unless they first understand it. Our brand of original, authentic storytelling – sharing real stories about real people – cuts through the clutter, creates genuine emotional connections and enables a deeper level of engagement. And engagement earns results – in perception management, relationship building and fundraising.

To begin the conversation about your storytelling platform or to request samples of our work, visit our website, call us at 941.309.5380, or e-mail [Steve Smith](#) or [Barry Rothstein](#).



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