



Demonstrating Leadership Through Corporate Giving Programs

1.) Quick Quote To Consider

"The trouble with the world is that we draw the circle of our family too small."
Mother Teresa

2.) Demonstrating Leadership Through Corporate Giving Programs

By Karen Ens and Donna Fletcher of Mission Driven

Within hours of learning about the devastation wrecked by the December tsunami, American corporate giants pledged millions of dollars in cash and in-kind support to aid the people and countries devastated by this catastrophe.

Corporations from all industries and sectors have provided more than \$500 million to date in response to this global disaster and the figure is expected to rise. Some dismiss this show of support as simple self-interest. However, the findings say otherwise. Companies who demonstrate leadership through corporate giving reap benefits far beyond the bottom line.

Corporate Giving — A Growing Trend

As recently as the early 1990's most Corporate Giving Programs (CGP) were part-time administrative functions staffed by a secretary in the HR or PR department. They now are independent departments, staffed by professional grant makers and housed in public/government affairs or marketing departments. Many CG professionals report directly to the CEO or President.

Emphasizing the link between leadership and corporate philanthropy, a few years ago Paul Newman founded the Committee to Encourage Corporate Philanthropy, an organization consisting of 30+ CEOs. Their main goal is to persuade corporate America to increase its corporate giving.

The tie between leadership and CGPs is not limited to senior management and CEOs. Increasingly, all employees, regardless of their level, are encouraged to contribute their time in individual or group volunteer activities sanctioned by the company, often on company time. The consensus is that these activities:

- Enhance morale, loyalty, work satisfaction
- Provide opportunities to work side by side with other staff and top management, with whom they would not otherwise interact
- Provide team-building and leadership experience
- Increase their skill base in new areas

Matching gift (in which the corporation matches a gift made by an employee to a nonprofit organization) and volunteer programs are now considered company benefits, akin to medical insurance and vacation time. Some companies require mid-level managers to head-

up corporate volunteer activities or serve on nonprofit boards of directors as part of their job description and as a requirement for promotions. It is unlikely that a senior manager of any U.S. company does not hold a position on a community board. There is a healthy competition among larger companies to have the best matching gift or volunteer program and to be honorees of nonprofit 'corporate leader' awards.

Corporate Philanthropy Leads to Corporate Success

Recognition that there is a tie-in between leadership, success and philanthropy is evidenced in 1999 and 2000 studies conducted by Cone Roper, in consultation with Harvard Business School Social Marketing Task Force. These were perhaps the first assessments of strategic philanthropy and cause marketing. Among the findings:

Corporate employee acquisition and retention:

- 85% of corporations surveyed supported charitable causes as a way of strengthening employee loyalty
- 82% reported that they aligned themselves with social issues to improve their image in the eyes of potential employees
- 76% of Americans would be likely to choose the company that support charities over one that did not if they were offered two jobs similar in pay and responsibilities.
- 90% were proud of their company's values, compared with 56% at firms that did not have a giving program.
- 87% reported strong loyalty to charitable companies vs. 67% at companies that did not have CGPs.

Consumer preferences:

- 61% of consumers would switch retailers or brands to one associated with a good cause, all else being equal.
- 68% would pay more for a product linked to a cause.
- 66% had greater trust in companies aligned with a social issue.

Creating Corporate Giving Programs

A corporate giving program will not be successful if it does not equally weight the 'needs' of the:

Corporation
Employees
Community
(to some extent) Shareholders

The company wants visibility, a good public image, motivated employees, tax write-offs and the perceived intention to 'do good.' As the Cone Roper studies showed, employees prefer working for charitable companies for a variety of reasons. The community organizations require funding, support and visibility that partnering with a corporation provides. Shareholders do not generally impact the decisions of a CGP unless the company veers radically from what they believe in, or if they perceive the company is giving too much (of their) money away.

A good CGP must be:

- Strategic
- Centrally managed by a professional staff
- Focused with a clearly defined methodology for grant making, tracking and evaluation
- Aligned with corporate mission, and have a vision/mission statement of its own
- Driven by employees
- Enhance corporate image
- Respond to community needs
- Have mid-management buy-in (usually the least involved of all employee bases)
- Provide incentives/recognition
- Create and maintain visibility
- Have open and frequent means of communication with all stakeholders

Issues to consider in creating a CGP:

1. Budget

2. Types of giving

- Direct grants (corporate only, foundation only, combination of both)
- Cause-related marketing
- Sponsorships
- Federated Drives (e.g., United Ways, Earthshare, etc.)
- Focus areas (health, human services, education, arts, civic, etc.)
- Clients to be served
- National and/or regional programs
- International programs
- In-kind donations

Employee involvement programs

- Matching Gifts
- One-on-one volunteering
- Group volunteer projects
- Volunteer matching — dollar for hours worked

Staffing

- In-house department
- Marketing
- Human Relations
- Public Affairs
- Public Relations

Outsourcing (staff and/or data processing)

Nonprofit Board Placement program

Senior & mid-level manager placement on NPO Boards of Directors



Creating Your Own Corporate Giving Program

Any company, regardless of size, can institute a corporate giving program. Find out more by contacting The Foundation Center or onPhilanthropy.com

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3.) A Meditation On Disaster

With last summer's destructive hurricanes battering Florida, December's devastating tsunami killing over 150,000 people and leaving millions homeless along the Indian Ocean, and the California mud slides this month, it leaves one overwhelmed, stunned and feeling helpless. One of the positive things that come out of these disasters is the heart-felt generosity of people helping others.

As organizational leaders, we can contribute to our community and our staff by establishing corporate giving programs as Karen Ens and Donna Fletcher have written about in this issue. It is also another opportunity to reflect and meditate on the fragility and passion of life. I'm starting 2005 by reading a daily meditation from Deng Ming-Dao's 365 Tao: Daily Meditations. January 10th's meditation was on Disaster. It was so appropriate and powerful that I wanted to share it with you.

"... Disaster is natural. It is not the curse of the gods, it is not punishment. Disaster results from the interplay of forces; the earthquake from pressures in the earth, the hurricane from wind and rain, even the accidental fire from a spark. We rush to ask "Why?" in the wake of a great disaster, but we should not let superstition interfere with dispassionate acceptance. There is no god visiting down destruction.

Disasters may well change us deeply, but they will pass. We must keep to our deeper convictions and remember our goals. Whether we remain ash or become the phoenix is up to us."