Caritas
February 2009
circ: 8,000

The long view

Tony Elischer on how modern corporate alignment isn't only about money

As the recession reached its media peak in September last year, fundraisers desperately searched for the effects highlighted by the extreme coverage, but of course found very little, except in one key area. The first to show the signs for many charities was corporate fundraising – for obvious reasons.

Affected sectors

It is important to state at this point that this was not across the board and very much depended on the industry sectors charities were in partnership or dialogue with. Traditionally the most active sectors of corporate charitable support are the financial, construction and retail ones so inevitably these were the first to show signs of the corporate sector rethinking its involvement.

The challenge is obvious, in a market where the City is crumbling, consumer spending is uncertain and the housing market is in decline, companies have to take immediate action to compensate for the economic environment and this includes curtailing, delaying or cancelling charity links and partnerships. Several charities reported advanced discussions being closed down, partnerships being cut short and an overall reluctance to open up new discussions. So is this the end of corporate partnerships as we understand them right now?

Clearly not; there is a natural synergy between the not-for-profit and the corporate sector and we have over twenty five years of dialogue and relationships in place that have shaped a well-tuned and proven portfolio of techniques, partnerships and case studies. The challenge now is to reshape our thinking and approaches. Charities with a strong corporate portfolio or a track record need to hold strong and implement a fresh strategy to get through the next two years successfully and to prepare to emerge stronger and in good shape for the future. Charities new to this area should look much harder at their cause and brand and ask if they should revise expectations and scrutinise resource commitments in a very unpredictable market. Corporate fundraising has always been a highly challenging area, demanding strong specialist fundraising skills and, above all, a charity that is aware of its brand, assets and stakeholders.

American parallels

It is interesting to look 'across the pond' at what our American cousins are doing as they are at least six months ahead of us in terms of recession. There are some interesting case studies of how partnerships and cause-related marketing programmes are holding up. Pure charitable giving has pretty much dried up, unless it is through the corporate foundation, but community programmes continue to survive (not necessarily thrive!) and the general dialogue between charities and companies in trying to bring about change in corporate practice continues apace. We may be about to face two to three years of recession but even the corporate sector realises that fundamentals like 'the planet' cannot wait!

Not just about the money

For any corporate fundraiser or corporate fundraising strategy to get through all of this, now is the time to review your overall approach and thinking. Most experienced corporate fundraisers realise that often the least important part of corporate partnerships is the money from the company; so key challenge number one is to see how this statement fits with your thinking, expectations and budgets for the next two years. The focus has been and needs to be thinking of a corporate partner as a 'route to market'. It is the operations and outreach of a company that offers the most attractive opportunity for a charity brand, whether that is to their customers, consumers or the general supply chain that the company sits within and influences. Historically the 'big numbers' released around specific corporate partnerships are a reflection of a 'collective effort' and rarely the fruits of the single corporate support. Corporate fundraisers need to invest more in research to understand supply chains and enable them to have more informed dialogues with companies, showing how they can unlock support from a wide range of other stakeholders.

Negotiating with companies in this climate will inevitably be tougher and, while a particular charity may genuinely have a fresh approach that is empathetic to the current climate and the challenges a particular company faces, the company may still be suspicious and simply think the approach is really about money no matter how well framed it is! A charity needs to respond to these types of challenges by focusing on two main weapons or tools: brand synergy and non-financial propositions.

Brand synergy and alignment

In an unpredictable market companies have to scrutinise every activity and adopt the policy that if they can't make the money, they have to save the money and balance the books as best as they can. Therefore, marketing teams are going to be more demanding, more precise and basically want every activity to deliver a return on multiple fronts. So charities need to move beyond identifying a link between themselves and a particular company and go much deeper into the logic of any partnership,

primarily driven by the brand. Are there shared values between the company and the charity? Do you share goals and visions in the same areas? (these can range from climate change to human rights to wanting to focus on cancer care in the UK). Does your structure and/or regional coverage match the company's in some way? This is critical in retail where they may want direct links to staff or volunteers.

For years we have dramatically over-used the word 'partnership' in trying to secure links and support from companies. This has always felt comfortable for all parties, although by now many companies experienced in this area are quite cynical about the term, knowing that charities rarely deliver a true partnership. A term I have tried to push forward on has been 'alignment', the basic concept of trying to align brands, stakeholders, objectives and other relevant factors. Perhaps in these difficult times this is a better concept to underpin our corporate fundraising strategies? To align with something you have to know yourself and just as importantly have a clear idea of what you are trying to align with.

Non-financial propositions

Building on the 'route to market' idea, now is the time for charities to think about their campaign, advocacy or education messages. How could specific companies help you to deliver these messages by reaching out to their customers, consumers and suppliers? In the US we are seeing more of this activity, with 'alignments' promoting everything from child safety, to green living and breast cancer awareness and self examination. Companies like these types of propositions as they enhance their brand qualities, can be a real 'value add' to their propositions and build a link with a charity that is more genuinely anchored with shared values and objectives.

Going deeper than simply a 'route to market' a charity can work with a company to bring about changes in the way they do their core business. This can cover a wide range of areas from working with the HR department on HIV in the workplace through to labour rights and procurement policies. All complex areas but so many charities work in areas that a company can impact upon by changing their behaviour or simply their mindset. Companies welcome this form of engagement during an unpredictable market period as it can be used to 'get their house in order' during a difficult period, can be cost effective, often enhances their reputation and can form an important part of their 'licence to operate'.

The long view

At this point many readers may have lost interest knowing that as a corporate fundraiser they are targeted on the money they bring in and not all this 'other stuff!' But quite simply this is a short-term view as the majority of corporate 'alignments' not based on money virtually always lead to money. Once a charity builds relationships and proves itself it is well positioned to either follow through with a request that could be linked to funding in some way or the very fact that its brand has a profile with a company will put it top of mind for other initiatives perhaps initiated by the company or its staff. Successful charities know that you have to be a 'player' before companies will ring you and in difficult times it is about keeping yourself in the game at some level. The battle may not be with the potential corporate partner but more inside the charity with gaining an understanding by those that sign off the budgets that in contemporary corporate fundraising there are many more things that can and should be measured other than money. In fact companies themselves recognise that the most valuable things they can do to contribute to charitable causes are around changing the way they do business and recognising the power of sharing their communication channels. In many ways corporate fundraising should be developed across the whole charity, thinking through the power and impact it can have in contributing to the vision of the charity, not simply as another income channel.

Many of the articles offering advice in relation to surviving the recession included three key points: 'stand strong' in relation to being realistic about what you can really achieve, re-cut budgets in line with the realities of the market and move forward with the economy ensuring constant reality checks. Three pieces of sound advice in relation to corporate fundraising over the next two years; this is not a time for the faint hearted corporate fundraiser and it really can be used as time to strengthen your portfolio and move towards a true 'alignment' approach.

Tony Elischer is the founder of THINK Consulting Solutions. He has 25 years' hands-on experience in the sector, covering several leading roles in national and international not-for-profit organisations and consultancies.

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