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2008

"Getting it Right on Nonprofit Partnerships"

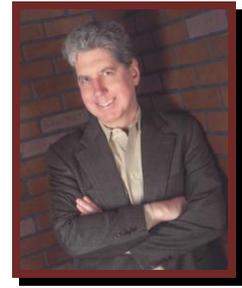
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the Strategic Perspective

Taking the Long View on Strategy, Innovation and Leadership



COVER ARTICLE September 2008

Getting it Right on Nonprofit Partnerships

Authentic nonprofit leadership, when effectively applied, can advance a model that is more aligned with achieving sustainable competitiveness.

Good leadership is essential to the strategic readiness of nonprofits as there has never been such an opportunity to advance the ambitions of social change agents and the business vision of responsible corporations than now. The acceleration of world trade has expanded the influence of business abroad and with it, new hurdles of social and economic significance to scale. With the necessity for interdependence among diverse economies, successful commerce goes hand-in-hand with an underlying commitment to enhance the public interest. In many markets around the globe, you cannot do one without the other.

And in the U.S., the more you pursue your commercial growth ambitions, the more you must be prepared to align your organization with the values that consumers expect of you in their process of granting 'permission' for your brand to thrive.

One path to durable alignment with your stakeholders' values can be a nonprofit partnership. Look at any number of best-of-class social responsibility initiatives led by American companies and behind the success you're likely to find the infrequently acknowledged factor to which most programs are hinged upon: A strategic alliance or partnership with a like-minded nonprofit with a track record in the delivery business.

Corporations, after all, are not in the business of producing social change outcomes per say. They are charged with delivering on shareholder value and upholding stakeholder confidence through the selling of products and services that produce profitability. When they do take the courageous and responsible step of investing in the broader common good, their cause-related efforts can often be boosted by collaborations with grassroots social service providers. That's evident from the 65% of the Global Compact's corporate members which are engaged in partnerships with NGOs and the United Nations.

As businesses seek to impact the communities in their operational footprint, it's critical that they connect to the international community and entities such as government agencies, NGOs, and multilateral institutions. They need to do so in order to respond to humanitarian issues, sustainability imperatives, micro-financing opportunities, food supply and safety concerns, natural disasters, supply chain management challenges, climate change impacts, and much more.

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Admirably, some corporations have mustered the resources (such as risk management capabilities and program administration expertise) to become producers of social change by forming foundations. But in most cases, they serve their own best interests - and those of their chosen cause - by leaving the driving to others. Corporations often realize a greater impact as facilitator or catalyst: making possible what was previously unattainable thanks to the deployment of their financial and human capital resources, or leveraging the influence of their brand's leadership.

The road to securing the right strategic partnership must be traveled with caution and considerable due diligence. And, of course, it works both ways: Nonprofits are justifiably concerned too about securing the right fit.

For nonprofits, corporate alliances must be created from the premise of *intelligent outsourcing* - a relationship that builds in components of needed expertise that are otherwise unattainable from their legacy resources. These synergistic ventures must be developed with openness to commercial approaches in order to meet new criteria for competitiveness and impact: depth vs. breadth of relationships, and whether short-term financial gain outweighs any long-term harm to the mission. The success of any collaboration will hinge on the depth and vitality of the interactions it supports.

For corporations, there are a number of factors at play that should guide their due diligence process. These include: The extent of the partner's organizational transparency; access to their critical, and often confidential, business information; their position as a role model and the perception of their mission solutions as an accepted 'norm'; the potential for operational scalability; a record for consistent outcomes accountability; proven adaptability to marketplace forces they cannot control; a pattern of competent execution; perpetual, open communication; an accurate appraisal of sector issues, reflected in their business plan; a clear delineation of their position on key issues; and the history and nature of their stakeholder engagement.

Software Industry as Agent of Change

Part of our firm's heritage is having worked with an array of technology pioneers extending back to our founding in Cambridge, Massachusetts 15 years ago. So it was no surprise to learn of the conclusions from a recent report out of San Francisco that software developers hold a key to advancing global social change and responsibility.

The Business for Social Responsibility report, "*Software Accelerates Sustainable Development*," should reinforce the confidence of technology companies for playing a central role in facilitating the global movement for collective responsibility - and for the business opportunity in becoming an agent of positive social change.

The report observes that although the software industry is a relative newcomer to corporate social responsibility, software companies are already making waves with innovative products and services that are meant to advance the way people, businesses and communities interact to achieve sustainable development.

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The report's conclusions derive from a working group comprised of such forward-acting companies as Adobe, Autodesk, HP, McAfee, Microsoft, SAP and Symantec. The group identified three key steps software companies can take to collaborate on CSR issues:

1. **Establish a shared purpose around the most important issues** - innovation and software applications to achieve sustainable development; governance, ethics, compliance and transparency; global workforce management and employee engagement; access, privacy and security; energy management and climate change.
2. **Engage with stakeholders in ongoing discussions and activities to build mutual understanding and insights.**
3. **Help set the stage for more research on emerging trends and opportunities** by accelerating internal conversations to tap employee enthusiasm, and improve interactions among stakeholders for new product and service breakthroughs.

As always, we invite your comments on **The Strategic Perspective** and especially insights from your own journey in leadership, strategy and innovation making. [Contact Us](#) today.

Art

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