Redefining the epistemology of the corporate / not-for-profit engagement

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David Cooke obtained his doctorate in 2008 from the Graduate College of Management, Southern Cross University, New South Wales. He currently works in the commercial field as the Executive General Manager of Konica Minolta Business Solutions Australia Pty Limited, a global Japanese corporation. He has previously worked in the not-for-profit sector in Australia, the South Pacific, India and several European countries. His primary field of interest is the promotion of greater integration between the commercial and not-for-profit sectors.
Abstract

Title: Redefining the epistomology of not-for-profit / corporate engagement

Key Words: Not-for-profit, corporate philanthropy, corporate social investment, return on investment.

Category of paper: Research paper.

Purpose of the paper: This study was conducted in order to better understand prevailing attitudes toward corporate giving and to understand why some large Australian companies so actively support the not-for-profit sector. Then on the basis of this understanding develop strategies to enhance the engagement process.

Methodology: A qualitative study involving in-depth interviews and case studies.

Findings: This study indicates that corporate giving to the not-for-profit sector is largely motivated by pragmatic decision making which seeks to enhance the reputation of the giver as well as produce benefits for the recipient. To enhance the effectiveness of approaches to the corporate sector, not-for-profit organisations must understand this motivation and tailor their approaches accordingly. Further that both participant sectors have skills which if shared can enhance effectiveness within their own domains.

Implications for theory: This study redefines the donor / recipient paradigm from one of a unidirectional flow based on philanthropic altruism to one of investment producing mutual benefit.

Implications for practice: Enhanced skill in seeking corporate support by the not-for-profit sector and the sharing of unique skills between sectors producing new operational frameworks for both.

Value of the paper: This paper has specific value for members of not-for-profit organisations engaged in fund raising or the solicitation of corporate support. Also to those members of the corporate sector charged with interacting with potential not-for-profit partners. Also to anyone interested in the overall process of redefining the engagement process between these two diverse sectors.

Number of pages (excl references): Seventeen.

Number of tables: Three.

Section headings: Introduction, Literature Review, Research Methodology, Findings, Implications for practice, Conclusion.
Redefining the epistemology of not-for-profit / corporate engagement

Introduction

Many not-for-profit organisations rely heavily on funding from external sources. Historically assistance has come from governments, philanthropic foundations, individuals and at times the support of profit-making corporations.

This paper suggests that the corporate sector still remains a relatively untapped source of support. The argument is advanced that in order to unlock these vast reserves the not-for-profit sector must understand the motivation of a profit-making enterprise to give, and the critical determinants of success that underlie the engagement process.

Within this new paradigm donations are not requested but the opportunity for a valuable and mutually-beneficial partnership offered. The not-for-profit organisation must not underestimate its own value to the enterprise. This firstly requires understanding the needs of the potential partner and their imperative to build social capital for the enterprise and its shareholders. Then an approach based on corporate giving as an investment, by the enterprise partner, can take place which is more about value creation than the old unidirectional philanthropy, fuelled by the moral imperative.

Corporates are the real generators of wealth. They create the jobs, the economic opportunities and the markets. We cannot win a war on poverty—in Australia or beyond our shores—without the drive, innovation and problem solving of businesses (Costello, 2007, p.7).

The above quote by Tim Costello, CEO of World Vision Australia, the countries largest charitable organisation, highlights the importance of tapping into the vast resources of the corporate sector. One fundamental difficulty is that those engaged in the not-for-profit (NFP) sector may still be operating within the paradigm that corporate giving will be purely based on altruism. Hence any approach is likely to be based on an appeal to the moral sensitivities of that organisation, through describing the worthiness of the cause that they are representing, and the financial challenges they are facing delivering vital services. This approach has met with mixed success over the years.

The new approach presented in this paper comes from two primary sources. One being feedback derived from a range of in-depth interviews and case studies and secondly by borrowing from the successful commercial methodologies of the intended corporate donors themselves as experienced by the author.
Literature Review

The charity as we know it in Australia today has its origins in 19th-century England with an array of religious, political, and social influences at its heart however, the concept of philanthropy or charitable giving has existed in most cultures throughout recorded history.

The Benevolent Society is attributed with being the first formally established charity in Australia under the original name of ‘The NSW Society for Promoting Christian Knowledge and Benevolence in These Territories and the Neighbouring Islands’. The society was established in 1813, 25 years after white settlement. Its main activity was the propagation of the Christian faith although over time developed a focus on the alleviation of poverty and distress within the current colony (Judd and Robinson, 2006).

Many others followed and some have now achieved a high profile within the community. In the case of Community Aid Abroad, now known as Oxfam, this was founded in the 1950’s while World Vision as recently as 1966. The term ‘third sector’ is now commonly applied to the not-for-profit sector to both distinguish it from the government and private sectors and also to highlight its size. The organisations that comprise this sector now number some 700,000 in Australia (Department of Family and Community Services, 2005).

Over time both private and corporate philanthropic foundations were formed such as the Myer Foundation who channelled funds to charitable organisations. More recently not-for-profit organisations have become more and more pro active in seeking funding from companies and the term ‘corporate social investment’ (Weeden, 1998; Tracey, 2003) has been used to describe the utilisation of company funds for community good where giving has been accompanied by a greater sense of intent and often an expectation of a return on that investment. This new world requires more thoughtfulness on the part of both giver and recipient as to how the relationship will initially form and then develop.

In order to enhance this engagement process between the for-profit and not-for-profit sectors it is initially important to understand why companies give their money away. If it is assumed that companies give for altruistic reasons (Eisenberg, 1991) then the approach to give must be based on an appeal to altruism. This has largely been the history of the not-for-profit / corporate relationship. If on the other hand companies may have other motivations for giving then the approach must be based on this reality in order to derive most beneficial outcomes for both parties.

The motivation to give is seen by some as an appeasement mechanism or form of managerial remorse for damages inflicted and corporate greed (Kouzmin et al, 2006). Controversy has also existed as to whether it is appropriate for a publicly listed company to donate funds that are perceived to belong to shareholders (Friedman, 1970; Corcoran, 1987; Johns, 2005).
However, there has also been mounting pressure on companies globally to act in a socially responsible manner including investment in the communities from which they draw their profits. USA (Heal, 2008, Hawkins, 2006), UK (Porritt, 2005), Europe (Isenheim, 2005), Japan, (Nippon Keidanren, 2007) and Australia (Gilding, Hogarth & Reed, 2002).

The move toward greater accountability along with a growing voice within the community for corporations to behave more responsibly, may have provided the initial impetus to give, however, many companies have now realised that they are rewarded themselves when giving. These positive experiences of overseas companies that appear in the literature are a significant reason as to why these profit-making companies engage with the not-for-profit sector (Kotler, 2005; Gates & Steane, 2009).

Many companies have now realised that there are tangible benefits for themselves in supporting the not-for-profit sector that address areas of genuine need for giver as well as recipient which may explain why support for the not-for-profit sector is on the increase (Corporate Responsibility Index, 2009). They have realised that their involvement is actually an investment in their own bottom line, as well as in the community.

**Research Methodology**

This study was conducted in order to better understand prevailing attitudes toward corporate giving and to understand why some large Australian companies so actively support the not-for-profit sector despite the perception by many that the profit motive largely drives the corporation (Hamilton, 2005; Bakan, 2004). Then on the basis of this understanding develop strategies to enhance the engagement process rendering the not-for-profit sector more effective at achieving desired outcomes.

Research Question 1: Why do Australian corporations support the not-for-profit sector?

Research Question 2: How can the relationship between the corporate sector and not-for-profit sector be enhanced?

The study was undertaken within a constructivist framework using a qualitative methodology (Charmaz, 2003; Denzin & Lincoln, 2003; Becker, 2000) with in-depth interviews and case studies (Yin, 2003) being utilised to collect data. Unlike the use of a questionnaire or survey, the epistemology of the qualitative interview aligns itself more with a constructivist paradigm than a positivist one (Warren, 2001). As limited qualitative research, in an Australian context, currently existed, the study was of an exploratory nature and in this sense was theory building from extensive information gathering.

The interviewees were selected based on a range of criteria linked to the interviewee’s current involvement with this field or public comments which they had made. They included several high-profile media commentators, a well known ethicist, one wealthy individual who participates in personal philanthropic giving, participants in not-for-profit
organisations who had sought corporate support and the head of the peak body for shareholder advocacy, whose organisation had previously condemned corporate giving.

Interviews were conducted in their homes and offices. Mindful of the ethical issues concerned (Bouma, 2000) these were recorded with the written permission of interviewees which subsequently generated transcripts of close to 50,000 words. A sample of some of the more pertinent comments made and insights shared are contained in this article. The ten in-depth interviews were conducted with the following participants:

1. D. S. Philanthropist, adventurer, CEO
2. G. D. Journalist, presenter - ABC TV, Radio National
3. P. A. Journalist, presenter, social commentator - Radio National,
4. S.W. CEO Australian shareholder advocacy
5. S. L. Executive Director - NFP organisation - ethics advocacy
6. M. T. CEO - NFP organisation - corporate consulting
7. T.D. NSW Director - NFP organisation - asylum seeker support
8. L. S. CEO - NFP organisation - breast cancer support group
9. B. P. Marketing Manager NFP organisation - child welfare
10. D. T. Deputy Director, author – NFP - university based

Various areas of discussion and concepts emerged during the course of the ten interviews, which were then broadly categorized into the following subject areas for the purpose of collating data:

1. Government involvement
2. Corporate governance
3. Corporate responsibility
4. Motivation for businesses participation
5. Cause marketing
6. Return on investment
7. Benefits for business
8. Future trends

Five case studies were then undertaken to triangulate and validate the interview data through annual reports, company web sites, public and company documentation and interviews with executives responsible for charitable and community programmes. Organisations included Australian and international companies, all with a strong involvement in the field of study. These were:

1. Westpac Banking Corporation: Senior Executives: S.B.
2. Bendigo and Adelaide Bank: Senior Executive: C.D.
3. BHP Billiton: Senior Executive: M.B.
4. Telstra: Senior Executive: M.S.
5. PricewaterhouseCoopers: Senior Executive: S.M.
One limitation of the study may be the fact that it was restricted to five companies thereby possibly limiting the generalisability of the findings. The breadth of industries covered mitigates this to some degree.

**Findings**

**Research Question 1:** Why do Australian corporations support the nor-for-profit sector?

An understanding of the motivation to give was fundamental to being able to progress to part two of the study namely how the interaction between giver and recipient could be enhanced.

S.W. was in a strong position to respond on the issue of why companies would give in this way and commented:

> It seems to be something of particular importance to companies with widespread community roots. It’s deemed to be important to be seen as part of the community. Reputation building is one of the big ones. There are competitive pressures on all companies; they can’t afford to be seen as being left behind. Banks are seen by many as being faceless, cold hearted, fee generating machines. This reflects on their bottom line and one way of counteracting this is to communicate with the community around some of the good things they are doing (S.W., 2008).

During the research an opportunity presented itself to put the question of the appropriateness of using company funds for this purpose to David Morgan, the then CEO of Westpac. He expressed a strong view on this issue when questioned in a public meeting:

> That is a very tough question but an apposite one. I can look any shareholder in the eye at any annual general meeting and tell them that I am investing the bank’s money wisely when we invest in the community. We survey university students and ask them if they were to join a bank when graduating which one would they join and why. We survey our staff and ask them why they joined and why they stay. We undertake brand recognition surveys and our social policies rank highly in all the surveys we do (Morgan, 2007).

Westpac had been through a tumultuous period in the 1990’s during which time its reputation had taken a severe beating. Staff were known to change into their uniforms once at work and change out of these before leaving in order not to be identified with the bank (S.B., 2007). Rebuilding its internal and external reputation was vital to any improved financial performance and support for the community through various charitable projects was seen as a mechanism to achieve this. As in the case of Westpac seeking to enhance its reputation not everyone agrees that it is appropriate to use charitable causes for overt marketing purposes; which has become known as cause marketing (Smith & Alcorn, 1991; Nowak & Clarke, 2003).
In relation to Coca Cola Amatil putting the pink ribbon symbol of the National Breast Cancer Foundation on it’s mineral water bottles, with a relatively small return to the charity, one interviewee categorised this as doing the right thing for the wrong reason (D.T., 2007). Others were even more cynical.

So I think that what Coca-Cola Amatil has done is bullshit. It is just a distraction, like a conjurer distracting us while doing his tricks. For God’s sake Amatil are one of the greatest tobacco giants in the world. So it's really just a stunt (P.A., 2007).

No one will trust you. Your commitment will be so shallow to whatever it is you do, that you have no commitment in fact for doing anything for its own sake, only if it is a means to improve your bottom line (S.L., 2007).

Well you see that’s not corporate responsibility. It’s just a sales promotion. It’s great for whoever gets the money but it’s not necessarily going to change people’s perceptions and in fact I think ultimately it’s going to be harmful (B.P., 2007).

Other case study participants had their own motivation for involvement in social investment programs. Bendigo Bank had realized that their early traditions, dating back to 1858, of working closely with the communities in which they were first established were well regarded. They created the ‘Community Bank’ brand differentiating them from their competitors and leveraging off their history of having close ties to the community, as a vehicle to move into new regional markets.

A senior manager at BHP Billiton stated that as a participant in the mining industry they were acutely aware that they were under constant scrutiny. ‘We’re a big target; big companies are big targets’ (M.B., 2007). Global mining activities often bring with them environmental degradation, social upheaval and many other problems. BHP Billiton’s spend of over $A100,000,000 annually on social investment programmes is designed to help mitigate these and assist with the granting of the necessary “licence to operate” both at a community and governmental level.

Telstra has a diverse range of stakeholders including the Federal Government’s Future Fund, large fund managers and innumerable small investors. Telstra’s community programmes are largely motivated by a desire to enhance the corporation’s image. This includes a need to overcome negative press around controversial managerial decisions.

PricewhatehouseCoopers do not have shareholders to appease; however, they do compete vigorously for what most Australian financial sector organizations call “the best and brightest”. They want the best graduating students each year to join their firm, not their competitors, and have appreciated that Gen Y candidates have different priorities in choosing an employer than previous generations. The degree to which a prospective employer supports the community is now a very high ranking criterion for many younger job seekers.
The primary motivations for the companies surveyed ranged across the areas shown below:

**Table I: Benefits reported by case-study participants**

<table>
<thead>
<tr>
<th>Company</th>
<th>Key Benefit Category</th>
</tr>
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<tbody>
<tr>
<td>Westpac</td>
<td>Reputation building, brand repositioning, staff attraction/retention, managerial and</td>
</tr>
<tr>
<td></td>
<td>staff development</td>
</tr>
<tr>
<td>Bendigo Bank</td>
<td>Market differentiation, brand becoming synonymous with “community”, entry to new</td>
</tr>
<tr>
<td></td>
<td>markets, staff attraction/retention</td>
</tr>
<tr>
<td>BHP Billiton</td>
<td>Licence to operate, acceptance by regulators, source of new staff, direct benefits</td>
</tr>
<tr>
<td></td>
<td>for own staff in remote communities</td>
</tr>
<tr>
<td>Telstra</td>
<td>Acceptance by stakeholders, including shareholders and regulators, reputation and</td>
</tr>
<tr>
<td></td>
<td>goodwill building</td>
</tr>
<tr>
<td>PwC</td>
<td>Staff attraction &amp; retention, potential government &amp; private contracts</td>
</tr>
</tbody>
</table>

Source: Developed for this study

**Research Question 2: How can the relationship between the corporate sector and not-for-profit sector be enhanced?**

This study sought to understand what lessons had been learnt about the process of engagement and the creation of successful on-going relationships by those companies who had already discovered the benefits and whether these could be captured by other companies who were interested in moving into this field?

Most companies today recognise that they have multiple stakeholder relationships to manage (Garten, 2001) and that these cannot be ignored when considering what approach to take when developing corporate social investment programmes (Laszlo, 2005).

Leeora Black (2007), Managing Director of the Australian Centre for Corporate Social Responsibility, writing in *New Zealand Management*, puts forward some important advice from her years of experience:

‘…corporate social responsibility programs and initiatives work best when they are developed using a multi-sector approach. Businesses need to work with a range of stakeholders including government, investors and non-governmental organisations—they are interdependent and cannot act in isolation’.
The beauty of this type of engagement is that it does not require the sacrifice of profit motives or goals. As regards corporate / NFP partnerships L.S. who founded a breast cancer support network with initial and on-going corporate support stated:

What is important is that it really has to come from a genuine place but that doesn’t mean that can’t be a commercial place as well (L.S, 2007).

This next section summarises additional advice given by commentators and participants in this study. The skill sets that both sides can share, along with some advice for not-for-profits when approaching the corporate sector are also noted.

The two sectors under discussion are moving closer together and in certain ways are now dependent on each other for maximum effectiveness (Levy, 1999). Various people throughout this study contributed their thoughts on what is most important in this relationship and how this process of engagement might be enhanced. A compilation of factors considered critical to the success of a social investment relationship has been listed. Not every interviewee mentioned every factor however in many cases common advice was given by multiple individuals.

The advice offered up by participants as best reflecting the twenty most important key success factors of any relationship are shown below. No ranking of importance or frequency with which these points were raised is inferred by the order in which they are listed.

1. The role of the leader is critical in endorsing any relationship.
2. The selection of partners is vitally important.
3. The choice of specific projects is critical.
4. Genuine motivation to work together is essential.
5. Be clear on each party’s motivation.
6. Learn what each other’s needs are.
7. Agree mutual goals, confirm regularly, and make a long-term commitment.
8. A partnership mentality needs to be developed.
9. An exit strategy needs to be developed.
10. A balance of power has to be maintained.
11. The provision of non-financial contributions such as core skills, influence, and technology, need to be valued.
12. Cross-fertilisation of ideas should be fostered.
13. Not-for-profits can adopt business skills from profit makers.
14. Profit makers can learn from the skills of not-for-profits.
15. Hiring executives with experience in the opposite sector can be valuable.
16. The term “investor” instead of “donor” should be reinforced.
17. Ideally heart and mind, on both sides, should be integrated into decision making.
18. Social responsibility needs to be integrated into the fabric of the organisation.
19. Trust needs to be developed between both parties.
20. Share your knowledge with others.
Some corporations have developed considerable expertise in working with the not-for-profit sector and one of the most encouraging points to emerge from the study was the willingness to share this with other companies, even competitors (S.B., C.D., S.M., B.P., 2007). This redefines what we normally consider to be the rules of engagement in the business world, where a company previously acted in an adversarial and at times even predatory manner. This is just one example of how involvement with the not-for-profit sector can elevate business to a new level and a new way of thinking.

S. B. from Westpac is very experienced in the field of community engagement, heading up this area for a company that is amongst one of the best examples of an organisation that engages with the not-for-profit sector with genuine commitment. She described that ‘at times I feel more like someone working for the not-for-profit sector than the corporate sector’ (S.B., 2007). She is also very active in taking calls and speaking at seminars and workshops, even involving competitors, to promote the concept of corporate support for the not-for-profits and the communities which they serve. She provided a good summary of what she believed were the key points for a successful relationship:

Her advice to corporates:

1. Set improvement goals to keep improving the success of the project and the relationship.
2. Survey your partner to see how they rate you.
3. Don’t just pick the big charities to work with.

Her advice to not-for-profits:

1. Package your offering to make it easy for the corporate to engage with you.
2. Understand what the core problems are for the corporate in their business e.g. in the case of Westpac; staff leaving.
3. Don’t just offer the use of your logo. Westpac would never be interested in this.

It’s about doing the due diligence. Determining what it is that you each want to achieve. It’s about shared common goals, strong and clear communication, about sharing the good, the bad and the ugly. One of the most important elements is a genuine commitment. You have to clear up any possible misconceptions before you start (S.B., 2007).

**Implications for practice**

**Approaching the corporate sector**

In the past engagement has been a one-way street with the not-for-profits going cap in hand to the corporates. If the premise is accepted that there are grounds for a mutually beneficial exchange what remains is still for one party to approach the other to begin a dialogue around how these mutual benefits can be realised. Charitable organisations need to become skilled in making the first move.
The Economist.com points out that it is important that the not-for-profit sector does not compromise its own characteristics yet at the same time needs to ‘become more like them,’ that is, more like the corporates (www.economist.com, 2006—accessed 23 February 2006).

This is particularly true with companies demanding ever-increasing professionalism from any potential partners (Zukowski, 1998). Still today, most approaches to companies by small to medium sized charitable organisations are made by telephone and with no formal proposal, limited knowledge of the company being approached, and no business case prepared.

The company’s website is the perfect place to start, yet often this has not been visited before contact is attempted (B.P., 2007). For maximum effectiveness it is not sufficient for the charity making contact to know about their own operation and little about the challenges that the prospective partner or donor organisation is facing.

One important point in relation to the preparation of a business case is that ‘there is no single business case which suits all companies’ (Birch, 2004, p. 7). Therefore it is not good enough to develop a sales approach that simply describes one’s organisation and is not tailored to the needs of the prospective donor or partner.

However, it is understandable that the charitable sector is unlikely to be endowed with super salespeople, skilled in obtaining appointments and extracting funding from Australia’s corporations.

… to get a person of that quality to work for a charitable organisation will normally be very difficult. They’ll normally be one of the top sales or marketing people at Coca Cola. So that’s the problem. The most competent people at weaseling money out of people are barristers getting $8,000 a day (D.S., 2007).

However, the skill of obtaining an appointment with a decision maker plus the ability to sell one’s proposition face to face, are necessary skills in any engagement process with the commercial enterprises of today. There are some simple principles that can be borrowed from the commercial world and used effectively, just as it has been using them effectively for years in selling its products and services.

Although supporting a very worthwhile cause the not-for-profit representative is, nevertheless, essentially trying to sell something, albeit intangible. The basics of commercial selling that can be applied just as effectively are shown in Table III which was developed for this paper.
Table III: Some principles of face to face commercial selling

<p>| | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1.</td>
<td>Adopt a consistent prospecting plan and a high daily call rate.</td>
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<tr>
<td>2.</td>
<td>Research your prospect to understand their needs.</td>
</tr>
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<td>3.</td>
<td>A face-to-face appointment is far better than a telephone conversation.</td>
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<tr>
<td>4.</td>
<td>If at first you don’t succeed try, try, try again. Ask if it is appropriate to</td>
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<td>call back another time and diarise that time. Then call again.</td>
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<tr>
<td>5.</td>
<td>Remember you are asking someone to give up their time, a highly prized commodity. Be</td>
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<td>professional and persistent but not pushy.</td>
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<td>6.</td>
<td>When attending an appointment, if the person seems distracted or too busy really to</td>
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<td>see you, despite having agreed to the appointment, show respect for their situation</td>
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<td>and offer to reschedule the appointment. You have just separated yourself from 90% of</td>
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<td>other “salespeople” and it will be noticed.</td>
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<td>7.</td>
<td>Effective selling involves meeting the need of a prospective buyer with a product or</td>
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<td>service that fulfils that need. The first rule is: uncover a need!</td>
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<td>8.</td>
<td>This cannot be done by describing your product, or organisation, or the good work</td>
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<td>that you do. It can best be done by asking questions about the company and the person</td>
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<td>you are meeting; and listening to their responses.</td>
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<td>9.</td>
<td>Resist the temptation to talk about you or your charity or your cause until you</td>
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<td></td>
<td>have uncovered several needs that you may be able to help with.</td>
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<td>10.</td>
<td>If needs are not forthcoming, probe by phrasing questions around areas that you</td>
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<td>know are problematic in other similar companies eg. difficulty attracting staff.</td>
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<tr>
<td>11.</td>
<td>Do not jump in with your “solution”, still use questions. You have just separated</td>
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<td></td>
<td>yourself from 75% of other salespeople.</td>
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<tr>
<td>12.</td>
<td>Once several needs have been uncovered build on what the implications of these needs</td>
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<td></td>
<td>might be if left unaddressed.</td>
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<tr>
<td>13.</td>
<td>Then restate the needs to ensure you have understood them correctly, confirm that</td>
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<td></td>
<td>they have a desire to find a solution and only then discuss involvement with your</td>
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<tr>
<td></td>
<td>organisation as being of potential benefit.</td>
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<tr>
<td>14.</td>
<td>If acknowledgement or interest is shown ask what the preferred next step is.</td>
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<td>15.</td>
<td>If commitment to further investigation is given then restate that commitment,</td>
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<td></td>
<td>document it, and fulfil all follow-up commitments entered into from your side as soon</td>
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<td></td>
<td>as possible.</td>
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<tr>
<td>16.</td>
<td>Email immediately upon returning to your office to thank the person for their time</td>
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<td></td>
<td>and confirming the next step agreed to.</td>
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<tr>
<td>17.</td>
<td>Maintain a level of total professionalism at all times.</td>
</tr>
</tbody>
</table>

Source: Developed for this study
Sharing skills

Businesses can be powerful generators of social value because of their distinctive sets of competencies and resources (Wei-Skillern, 2008, www.hbskw.hbs.edu—accessed 10 February 2008). Both sectors have built up considerable skill in operating effectively within their own domains. They are different beasts, one driven by profit motives and one by service delivery targeted at the alleviation of suffering and the building of capacity within individuals and communities. These two diverse groups have developed a range of skills that, if shared, can significantly benefit each other. Some of these are shown in Table II which was developed following this study.

Table II: Skill set and potential benefit to the other sector

<table>
<thead>
<tr>
<th>Corporate Skill Set</th>
<th>Benefit to Not-for-Profit</th>
</tr>
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<tbody>
<tr>
<td>Strong commercial focus</td>
<td>Financial growth and stability</td>
</tr>
<tr>
<td>Short-term results focus</td>
<td>May be necessary and appropriate at times</td>
</tr>
<tr>
<td>Managerial expertise</td>
<td>Knowledge, experience, and potential pro bono assistance</td>
</tr>
<tr>
<td>Negotiating ability</td>
<td>Secure better outcomes for the organisation</td>
</tr>
<tr>
<td>Marketing strategies</td>
<td>Knowledge facilitating growth of public awareness</td>
</tr>
<tr>
<td>Sophisticated PR strategies</td>
<td>Potentially valuable contacts in press/media</td>
</tr>
<tr>
<td>Strong networks</td>
<td>Tap into to secure increased support</td>
</tr>
<tr>
<td>Technology infrastructure</td>
<td>Share knowledge and potentially even infrastructure</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Not-for-Profit Skill Set</th>
<th>Benefit to Corporate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strong societal focus</td>
<td>Growth of genuine respect from domain</td>
</tr>
<tr>
<td>Tireless long-term focus</td>
<td>Ability not to lose focus during adverse cycles</td>
</tr>
<tr>
<td>Staff commitment</td>
<td>Experience in maximising employee contributions</td>
</tr>
<tr>
<td>Ability to influence</td>
<td>Knowledge and skills to achieve outcomes</td>
</tr>
<tr>
<td>Unsophisticated PR strategies</td>
<td>Ability to attract genuine prestige without “spin”</td>
</tr>
<tr>
<td>Marketing strategies</td>
<td>Ability to operate effectively on shoe-string budgets</td>
</tr>
<tr>
<td>Strong networks</td>
<td>Valuable contacts in government and society</td>
</tr>
<tr>
<td>Maintenance of core values</td>
<td>Viewed by others as trustworthy and reliable</td>
</tr>
<tr>
<td>Maintenance of reputation</td>
<td>Brand management expertise</td>
</tr>
</tbody>
</table>

Source: Developed for this study

The capacity to identify counterpoint skill sets that are worth emulating, will form a critical aspect of future partnerships. This sharing of knowledge will strengthen the level of interest between these two sectors, whereas once a considerable divide may have existed given the different natures of the two types of organisations.

The hallmark of the profit makers tends to be commercial astuteness while those of the not-for-profit sector are genuineness, compassion, and commitment. This paper proposes that both sectors can benefit each other not only in terms of corporate resources flowing to the not-for-profits with resultant benefits such as those outlined in Table I flowing back, but that each can reap further benefits from the relationship via exchanging expertise and skill sets as outlined in Table II.
Conclusion

This study has focused on the gathering of knowledge from experienced practitioners within the field of not-for-profit / corporate partnerships. The cases studied were selected to highlight successful examples of corporate social investment, which others may seek to reproduce within their own organisations. The study has provided insights into what drives the motivation of these corporations and why the pace of social investment is gaining momentum. Also insights into the future of not-for-profit / corporate relationships, indicating the likely increase in receptivity and participation rates in Australia.

I see this as the perfect storm gathering in a way that I haven’t in all my years of doing not-for-profit work, of sitting on boards. I promise you I have not seen the conditions in corporations that I’m seeing now (G. D., 2007).

The information gathered throughout the study demonstrates a range of tangible benefits that accrue to the corporate partner. This leads us to conclude that there is a symbiotic relationship between two parties who have traditionally been seen as giver and receiver.

In many companies these relationships may be well established but in others the possibility has barely been considered, despite the considerable needs which exist within those organisations. Needs which may well be met by involvement with the not-for-profit sector.

It is also now time for change within the charitable sector, renowned for service delivery to those in need, but often lacking in skills to engage with the corporate world.

Traditional approaches are falling short, especially as the intensity and complexity of social problems has grown (Wei-Skillern, 2008, www.hbskw.hbs.edu—accessed 10 February 2008).

In the same way as with the commercial world there is this process of innovation and creative destruction where a new company with new technology moves in to replace something that's been there before. I think the same logic applies in this sector. There are new ways of doing things and ideas that can be replicated and should be encouraged (M.T., 2007).

Corporate social investment is one of the most powerful, and potentially abundant, mechanisms for positive change that exists in the world today. The work of the not-for-profit sector is about change, positive change yet in order to tap into these corporate resources considerable courage may be required to move beyond present models of engagement. This is no different than that required by commercial enterprises implementing change management programs or experiencing paradigm shifts.
The process of change requires resources, time and energy and the growth of the successful engagement between the two sectors is no different. However, corporate resources, in their various forms, are the resources with the least restraints (Karoff & Maddox, 2007). All that is required is to tap into the reservoir of goodwill and capital which is best done through an approach based on an understanding of reciprocity.

There is a very powerful business case for companies to consider becoming more involved in sustainable development, which, simply stated, will position a company to engage more fully in its communities. In turn, this creates a positive reputation for the company which in turn, as many studies have shown, will enable a continuing and growing return on shareholder value (Birch, 2004, p.6).

Companies actively participating in corporate social investment have observed that corporate giving does not have to be driven by pure altruism, even though this is evident particularly in many of the foundations where no direct return on investment is necessarily sought. Giving can equally take a form that can withstand the scrutiny of a tough CEO or board, who will want to know in advance that there is a high probability of a bottom-line return on investment which will contribute toward the long-term sustainability of the business as a whole.

This study does not suggest that altruism does not exist in corporate Australia. What it does suggest is that it is advisable to bear in mind that when deciding whether to visit the well of altruistic giving, or the well of corporate self interest, that the latter is likely to be deeper than the former. Also that a not-for-profit organisation needs to develop a tailored strategy when approaching each potential corporate supporter in order to optimize outcomes.
References


S. B. (2007). Westpac research interview conducted on 18 October, Sydney


