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Making partnerships work

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The Toolbox

Making partnerships work

Even in difficult economic times many businesses remain willing and open to the idea of forming a partnership with a community group as long as they see it as one which has tangible benefits to its operations.

Because of this, it is even more vital that community groups seeking partnerships have the knowledge and confidence to make a winning approach to businesses. In this article David Cooke provides groups with insights, information and resources they can use to increase their chances of success.

Corporate fundraising: A new paradigm

Does the realisation of potential benefits such as enhanced company image and increased ability to attract top staff, gained through participation in social investment programs and community-business partnerships, create fertile ground for increased corporate fundraising?

If so, how should the for-profit and not-for-profit sectors engage with each other to realise these potential benefits?

A 2008 Southern Cross University study – *The Philanthropic Contract: Building Social Capital through Corporate Social Investment* – aimed to better understand why some Australian companies support the not-for-profit sector and to investigate the relationship between the two.

The findings of the study showed that although many fundraising approaches were aimed at appealing to a company's moral motivation, in many cases the core motivation for the company to actually give is more likely to be based on an evaluation of the potential benefits they would receive.

This has significant implications for how best to approach a company when funds are being sought – implications which could be further emphasised due to the global economic downturn.

Corporate social investment and the downturn

Corporate social investment – including partnerships between community organisations and businesses – is one of the most powerful mechanisms for positive change that exists in the world today.

Some debate has occurred around whether the global financial crisis will cut deeply into social investment by the world's corporations.

The answer for community groups would appear to be that if their approach to business appeals to pure altruism for the fulfillment of *their needs*, then the not-for-profit sector is likely to see funds in fact fall victim to cutbacks and corporate belt tightening.

It is therefore important to view the whole corporate/not-for-profit equation from a different angle.

If the not-for-profit sector focuses on the needs of *the potential corporate partner* and match the benefits that they can bring to these needs, then funding might actually increase.

This engagement strategy is particularly pertinent in these tough times. More than ever before, companies will need to compete for whatever sales are out there by differentiating themselves from their competitors and finding strategies that will give them an edge in competing for potentially scarcer revenue streams.

Skills sets and partnership benefits

Businesses can be powerful generators of social change because of their distinctive sets of competencies and resources. Yet both the business and not-for-profit 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 the individuals and communities who are their clients.

These two diverse groups have developed a range of skills that, if shared, can, perhaps ironically, significantly benefit each other.

Business skill set	Benefit to not-for-profit
Strong commercial focus	Financial growth and stability
Short-term results focus	May be necessary and appropriate at times
Managerial expertise	Knowledge, experience, and potential pro bono assistance
Negotiating ability	Secure better outcomes for the organization
Marketing strategies	Knowledge facilitating growth of public awareness
Sophisticated PR strategies	Potentially valuable contacts in press / media
Strong networks	Tap into to secure increased support
Technology infrastructure	Share knowledge and potentially even infrastructure

Not-for-profit skill set	Benefit to business
Strong societal focus	Growth of genuine respect from domain
Tireless long-term focus	Ability not to lose focus during adverse cycles
Staff commitment	Experience in maximising employee contributions
Ability to influence	Knowledge and skills to achieve outcomes
Unsophisticated PR strategies	Ability to attract genuine prestige without "spin"
Marketing strategies	Ability to operate effectively on shoe-string budgets
Strong networks	Potentially valuable contacts in government and Society
Maintenance of core values	Viewed by others as trustworthy and reliable
Maintenance of reputation	Brand management expertise

Focusing on these skill sets can help your group make the best approach possible to a prospective business partner, highlighting the most relevant attributes of both parties and increasing the chances of a "good fit".

Factors for a successful partnership

As part of the Southern Cross University study, participants offered up factors they felt were critical to the success of a partnership arrangement. The 20 most important success factors are below:

1. The role of the leader is critical.
2. The choice of partners is vitally important.
3. Considerable thought must be given to the choice of projects.
4. Genuine motivation is essential.
5. Be clear on one'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, needs 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.
18. Social responsibility needs to be integrated into the fabric of the organization.
19. Trust each other.
20. Share your knowledge with others.

Approaching a prospective partner and “selling” your proposal

Despite a growing number of partnership approaches from businesses to not-for-profits, the most common way for partnership discussions to begin usually sees community organisations making the first move and approaching businesses.

The first thing to remember is that you need to do your homework before you make your approach. In many cases approaches are made by telephone and with no formal proposal, limited knowledge of the company being approached, and certainly no business case prepared. Some even neglect to visit the business’ website to learn more before attempting contact.

Secondly, you also need to remember that there is no single style of approach or case which suits all companies. It is not good enough to develop an approach which simply describes one’s organisation and is not tailored to the needs of the specific prospective partner.

Even after you’ve done your homework, making the first contact with a business to “sell” your proposal can be daunting.

Understandably some in the sector may find distasteful the suggestion that fundraising may be legitimately considered as being a form of selling, as distasteful, and certainly will not want to be identified themselves with the image of a “fast talking salesperson”.

Unfortunately the experience that most people have had is with poor salespeople. It can sometimes be quite useful to think back to a time when you have had a good experience when buying a product or service and why this interaction worked for both parties.

It’s quite likely you already have the skills to be successful but just don’t know it.

There are some simple principles that can be borrowed from the business world and used effectively by groups in their approaches. These strategies also have the benefit of creating a sense of familiarity for the person with which you are engaging, increasing the chances of a good outcome.

The basics of selling that can be effectively applied include:

1. Adopt a consistent daily prospecting plan with a high call rate.
2. Research your prospects first.
3. Face-to-face appointments are far better than telephone conversations.
4. If at first you don’t succeed try, try, again. Ask if it is appropriate to call back another time and then put that time in your diary. Then call again.
5. Remember you are asking someone to give up their time, a highly prized commodity.

6. When attending an appointment, if the person seems distracted or too busy really to see you; despite having agreed to the appointment, show respect for their situation and offer to reschedule the appointment. You have just separated yourself from 90% of other 'salespeople'.
7. Effective selling involves meeting the need of a prospective buyer with a product or service that fulfils that need. The first rule is: uncover a need!
8. This cannot be done by describing your product, or organisation, or the good work that you do. It can be done by asking questions and listening.
9. Resist the temptation to talk about you or your charity or your cause until you have uncovered several needs that you may be able to help with.
10. If needs are not forthcoming, probe by phrasing questions around areas that you know are problematic in other companies.
11. Do not jump in too soon with your 'solution', keep using questions. You have just separated yourself from 75% of other 'salespeople'.
12. Once several needs have been uncovered build on what the implications of these needs might be if left unaddressed.
13. Then restate the need, confirm that a solution is desired and only then discuss involvement with your organisation as being of potential benefit.
14. If acknowledgement or interest is shown ask what the preferred next step is.
15. If commitment to further investigation is given then show gratitude, restate that commitment, document it, and fulfill all the commitments that you have entered into from your side as soon as possible.
16. Email immediately upon returning to your office to thank the person for their time and confirming the next step agreed to.
17. Maintain this level of total professionalism at all times.

<David Cooke bio below – maybe box txt or put in different font as highlight>

David Cooke (davidcoo@bigpond.net.au) was awarded a Doctorate of Business Administration from Southern Cross University in August of 2008, and is currently executive general manager at Japanese IT company Konica Minolta Business Solutions. He is happy to provide some informal consulting on a pro bono basis.