Corporate Partnerships for Non-profits; a Match Made in Heaven?

What Your Organization Needs to Know about Successfully Collaborating with the For-profit Sector

By

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Any serious non-profit Board discussion of development strategies inevitably reaches a point where someone asserts, “why aren’t we doing more with corporations? Our organization is a perfect match for corporate sponsors… so why aren’t we pursuing those opportunities more aggressively?”

Well, perhaps your non-profit is a perfect match for corporate sponsorship support. But attracting sponsorship dollars, as opposed to corporate foundation gifts, is often an involved and complicated process, and on many levels puts the cultural differences between non and for-profits under a critical magnifying glass.

Before exploring corporate sponsorships, non-profits would be wise to step back for a moment and consider a few threshold questions:

- What does the organization want or expect from a sponsorship? Is it merely an unrestricted gift? Or are there other benefits?
- What organizational cultural issues or differences can a non-profit expect to confront in establishing a successful partnership?
- How does an organization identify the best opportunities? Is there a process? Are there specific criteria that make for an ideal partner?
- How should a non-profit be structured to take advantage of such opportunities?
- How can a corporate sponsorship best be optimized and leveraged?
- How would the success of a corporate collaboration be measured?

The answers to these and related questions often mean the difference between productive and non productive sponsorship relationships, and will be addressed in the discussion that follows.

The Win-Win

In my experience, every successful non-profit corporate relationship has at its core a mutual recognition that the partnership is a win-win situation.
That is to say, both parties clearly recognize that each derives from the relationship clear advantages that neither would have achieved without the other’s involvement.

Sometimes, the win-win isn’t completely obvious at the outset. Sometimes, the win-win is created out of the initial program discussions and through the negotiation process. But at the end of the day, it is the win-win that provides the motivation to come to the table initially, and it is the prospects of a win-win that sustains the relationship when the program encounters some speed bumps, as all programs eventually do.

Every win-win, of course, is different, just as no two organizations are entirely alike. Interestingly, over the past few years, non-profit “wins” have begun to evolve from merely receiving a check, to far more strategically grounded benefits. One environmental organization recently entered into a relationship that provided access to new donor segments and greater overall market visibility. The monetary grant that accompanied the program was purely a secondary consideration. What this organization really valued was greater awareness for its programs that were a result of the partnership’s external communications support and exposure.

Finding the Strategic Fit

A second key consideration is strategic fit. Is the proposed relationship credible? Is it consistent with – and supportive of – the way both parties are perceived or position themselves among donors and/or customers? If the partnership is a strategic disconnect for either party on any level, the collaboration needs to be rethought, or even abandoned altogether.

Take for example the large energy company that approached our firm recently, seeking a more positive environmental profile. Their goal was to achieve this objective by aligning themselves with a prominent conservation group. The first question that came to mind was the obvious one: how believable or defensible would such a partnership be? Would the credibility of the conservation group suffer as a result? Or, even if the energy company was able to establish a relationship, would it be viewed as merely an exercise in “greenwashing” accompanied by so much cynicism as to render it harmful.

Our conclusion was that this particular energy company, which had a less than stellar environmental record, would be better advised to begin its green campaign by creating more visibility for the positive environmental initiatives it had begun to undertake on its own – before attempting to borrow on the reputation and initiatives of a non-profit, conservation partner.

In contrast to the energy company’s potential miss-match, a women’s cosmetics manufacturer approached us a few months back looking for a partnership that would align it with a medical cause that affects women’s health, such as breast cancer. On the surface, at least, a partnership like this would appear to offer the possibility of a strong win-win and a potentially attractive, cause-related purchase incentive for the marketer.
While finding a good strategic fit in a cause-related partnership is a critical initial step, it's also important to recognize that in some cases there might not be an apparent strategic alignment, per se. In many cases, the fit might exist only in a much broader context, such as when a corporation is recognized for "supporting the arts," for example. In these instances, the context of recognizing a larger responsibility to "give something back" is a perfectly acceptable partnership rationale – regardless of whether the give-back relates strategically or thematically to specific marketing objectives.

**Ease of Implementation; How Doable is This?**

Ease of implementation is another important attribute of successful partnerships. Many non-profits are simply not organized or staffed to accommodate, let alone facilitate, corporate relationships. In fairness to non-profits, many corporations, too, while eager to pursue such relationships are, themselves, ill-prepared to manage them effectively and collaboratively.

Any non-profit seeking to pursue corporate partnerships would be well advised to recognize that it must be prepared to commit the resources essential to managing the relationship from its end. This means assigning someone within the organization to "own" the relationship and share accountability for its progress in a responsive, consistent manner. Too often a major complaint from the corporate side is that their non-profit partners are simply not sensitive enough to reporting, budgeting and timing considerations.

**Less is More**

Another key component of successful partnerships is simplicity. The rule of thumb is, the fewer moving parts the better. The best partnerships incorporate clear value propositions for both parties, along with clearly identified outcomes.

If a partnership is confusing to the partners, chances are it will be confusing to other constituencies, such as donors or customers, which, of course, compromises the value of the relationship in the first place.

**Will It Last?**

Finally, the best partnerships are sustainable. Over time, they offer the possibility of establishing a "branded" relationship that can evolve and expand to accommodate changing priorities and new program or marketing initiatives under the partnership's broader thematic umbrella.

Closely related to sustainability, is the very important concept of marketing the relationship. Sustainable relationships require both parties to invest in promoting the partnership over time. Generating awareness of the partnership gives it visibility among key audiences and creates confidence among both donors and customers that their support of the relationship will contribute to lasting outcomes.
Non-profits should ask at the outset whether their corporate partners are prepared to invest in promoting the relationship. The partnership’s longevity and customer and donor appeal are strongly linked to the extent to which the partnership is merchandised.

Finding Appropriate Opportunities

The good news is that the increased emphasis on Corporate Social Responsibility (CSR) has many corporations scrambling for opportunities that will satisfy their quest to demonstrate to customers and employees their exemplary corporate citizenship. The not so good news is that there isn’t a convenient clearinghouse where non-profits and good corporate citizens can easily come together to explore mutual interests in a productive, convenient manner.

For our clients – both for-profits and non-profits – we implement an opportunity evaluation process that carefully examines and considers motivations on both sides of the table.

As previously noted, we begin by asking the basic question, “what are an organization’s strategic attributes that customers or donors find most attractive, and where initially are the perceived linkages?”

Take the case of a non-profit organization such as MADD which is focused on eliminating traffic fatalities caused by drunk drivers. Where is the potential linkage with corporate interests? Who would an organization such as this motivate and why? Is it moms? Parents of kids who drive… or who are about to drive? Insurance companies? Automobile manufacturers? Liquor companies?

All of the above entities, for different reasons, of course, might conceivably benefit from forging a strategic relationship with MADD. So the key, as we’ll touch on in a moment, is to identify the most obvious and appealing reasons for both parties to establish a partnership and make those reasons the focus of any solicitations.

In the case of non-profits, we talk to donors, Board members and staffers to get a sense of what they value about their affiliation with, or investment in, the organization. We then follow up with questions aimed at identifying corporate product or service categories and performance traits they feel might be in the best alignment with the organization’s mission.

The questions are generally open-ended, but grounded in our experience in structuring win-win relationships across numerous business and non-profit categories. The objective is to build a broad strategic framework within which future partnerships can be explored and hypothetically structured, and ultimately translated into a mutually beneficial, sponsorship business proposition.

Tapping into the Board

The non-profit's Board members can be particularly very helpful during this exploratory phase.
They’re often removed enough from the day-to-day to offer valuable objective insights, and they’re also often well connected with the corporate world, which can provide a source of viable contacts in subsequent phases.

Similarly, we pursue the same line of questioning with corporations, focusing on their customers and employees. As with non-profits, the goal is to identify factors or attributes related to the corporation’s products or services that might motivate employees to volunteer or “feel good” about what their employer does, and what cause-related emotional triggers might motivate a consumer purchase.

I should hastily add that whatever opportunities ultimately emerge must be consistent with the participating organizations’ stated ethical codes and investment policies. And also note the mention of employees. One of the major benefits to corporations of a CSR effort is the motivational impact it can have on the workforce.

Today, employees are increasingly concerned about giving back and when their employer embarks on a cause-related initiative it can instill a great sense of pride, particularly if it offers employees an active opportunity to become engaged as volunteers.

Building a List of Prospects

After completing the above process, we generally arrive at a “threshold list” of prospective partners. In essence, these are opportunities that could theoretically provide a win-win relationship if they’re strategically structured to optimize the benefits to both parties… and if the timing fits within the corporation’s marketing life-cycle.

A quick word about timing. Timing is no small consideration when seeking a corporate partnership outside of a foundation gift.

Unlike foundation gifts, which tend to follow regularly scheduled review and grant cycles, corporate marketing budgets are linked closely to product introduction calendars and other variable market conditions that are driven by any number of factors, including competitive pressures, seasonally-driven consumer spending cycles, and even issues as difficult to predict as the weather. If a sponsorship proposition is marketing-related, timing will always be a factor.

One final consideration in developing the short list is what we call, “ownability.” Ideally, it’s important that any corporate partnership be sufficiently unique that over time, it will become a branded equity that people will associate with both organizations.

Good examples are Avon’s breast cancer crusade, Macy’s “Wear Red” campaign for the American Heart Association, or Whirlpool’s long term support of Habitat for Humanity. Each of these in their own right has become a long term win-win partnership for all participants.
Creating the Initial Sponsorship Proposition

After the basic “short list” of potential partners has been complied, the next step is to outline a basic business proposition that presents a schematic of how a relationship with a non-profit might benefit a corporate partner. While the short list might include business partners from any number of industries or product categories, in our experience, the best opportunities tend to cluster around a single theme. That is to say, that among all of the possible concepts being considered, there are usually only a few major ideas that emerge consistently as the most obvious and viable.

And “obvious” and “viable” are good things. The clearer and more realistic the schematic’s win-win proposition, the more likely a prospective partner will find it attractive and compelling. After all, if the benefits are not immediately obvious to the partner, they’ll probably not be obvious to the partner’s customers… and employees.

In our experience, the most successful non-profit sponsorship propositions include the following elements.

- **Begin by introducing the organization.** Even large, nationally known non-profit brands often make the mistake of assuming a corporate partner knows who they are and what they do. Start by reviewing your mission and highlighting where and how your organization makes a difference. If you have statistics that speak to awareness of your organization and the number of people it serves, be sure to include them.

  Ideally include any information that “dimensionalizes” the scope and impact of the organization’s reach and perceptions of its general effectiveness in achieving its mission. In short, the objective is to ensure that a prospective corporate partner sees your organization as viable, effective and recognized for its accomplishments.

- **Clearly articulate both organizations’ shared interests and how both would benefit from a partnership; lay out the non-profit’s program ideas, showing how the ideas meet both organizations’ strategic needs.** This is the core of the proposition. It outlines specifically how the partnership would be structured, how it would work, and most important, the anticipated outcomes. Pay particular attention to success measurement criteria, such as products sold, consumer awareness, contributions, new donors attracted, employee satisfaction and volunteer support statistics.

- **Summarize how your organization is committed to ensuring the partnership’s success.** This can include the ways you plan to merchandise the relationship to your donor base and even services you might be able to bring to the table in implementing the partnership. For example, one recent non-profit client had considerable curricula development expertise.
They applied this skill to creating the partnership’s on-line communications materials and received an attractive incremental fee for their efforts over and above the program’s core sponsorship contribution.

Propose a preliminary time-table and management team. The idea here is to proactively demonstrate that your organization is prepared to play an active role in making sure the partnership succeeds and that you’ve thought through the major implementation issues. The sub text here is to eliminate stereotypes many corporations have of non-profits as not being well organized and accountable from a management perspective. By asserting your organization’s preparedness, you’ll be conveying a strong results-oriented image that helps communicate your commitment to the program’s success.

Conclude by again summarizing the main benefits of the collaboration. Be sure and emphasize not only how the partnership will respond to the corporation’s larger external marketing and community image needs, but how it could potentially engage and inspire employees.

Getting the Meeting

Once the basic proposition has been outlined, the third step is getting in front of prospective partners and reviewing how the proposition will benefit their operations. There are no hard and fast rules for getting an audience, but here are some basic strategies that we find work well:

- Check Board members to see whether they have any contacts within a prospective partnering organization

- Use the networking resources and contacts of the non-profit’s senior executives and marketing consultants to identify senior contacts in the prospective partnering organization

- Begin with a prospective partner’s Foundation representatives or directors; they’re often helpful in steering non-profits to appropriate decision-makers within an organization’s marketing staff; the benefit of this strategy is that the non-profit can always begin the dialogue by noting that it was referred by the Foundation, which can be a powerful attention-getter

- Approach senior executives within appropriate industry associations or even non-competing non-profits for suggested contact names

- And, of course, using industry directories, reach out directly to senior contacts within an organization

There’s no question that corporations and non-profits have much to gain from collaboration. And increasingly, savvy non-profits are taking the initiative to explore corporate relationships.
By positioning themselves as being well prepared, proactive partners with innovative, win-win ideas, non-profits can expect to attract corporate support that will not only yield significant revenue results for themselves – but important additional benefits in the form of increased donor awareness and volunteer participation.

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Please direct all questions and comments on this article to: frederickthompson2@gmail.com

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