More

# From Transactional to Transformative: The Future of Corporate Partnerships

**More Partnership**
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*"The public are distrusting about business. Corporates have to step up and play their role alongside the government, charity, cultural and university sectors, to tackle the complex challenges of our time and to bring joy."*

**Interviewee**
**(Corporate Sector)**

*"I am personally very much against corporate philanthropy. You shouldn't do good with money which doesn't belong to you."*

**Peter Brabeck-Letmathe**
**former Chairman and CEO of Nestlé: 2010**

*"If the enormous volume of the philanthropy of the present day were wisely directed it would, I believe, in the course of a few years, change the face of England."*

**Joseph Rowntree: 1904**

*"Economic and social objectives have long been seen as distinct...this is a false dichotomy; it represents an increasingly obsolete perspective in a world of open, knowledge-based competition. Companies do not function in isolation from the society around them."*

**Michael E Porter and Mark R Kramer: 2002**

*"The power balance has changed. Smart businesses see that the charity, culture and university sectors have deeply valuable experiences and expertise, convening power and influence, which complement corporate assets.*

*Equal is not the same, but both parties now have to arrive at the table on equal footing, with parity and transparency at the heart of any successful partnership."*

**Interviewee**
**(Cultural Sector)**

# Contents

# Introduction

## Why this matters

Organisations across the corporate, charitable, cultural and higher education sectors have made immeasurable contributions to society's most significant challenges for centuries. Many of the greatest gains have been realised through collective responsibility and collaborative action.

The need for partnership, and the harnessing of complementary expertise from across sectors, has never been greater. We are living through a widespread crisis in trust and the ongoing battle to rebuild it. Social media empowers us all with information (and disinformation). Start-ups can go from the drawing board to Fortune Global 500 in years, while brand goodwill can evaporate in hours.

In this environment, delivering social purpose is becoming vital for the private sector, to affirm the licence to operate and to engage discerning stakeholders. Traditional lines between corporates and the not-for-profit sector continue to blur, as social enterprises and mission-orientated businesses proliferate. And not-for-profits are no longer immune to public distrust. Reputation can crumble quickest when benevolent organisations misbehave.

Corporate partners aren't cash machines; they are much more useful than that. Engaged thoughtfully, they can make transformative contributions to societal causes through partnership working. For commercially minded, judicious and adaptable professionals in the cultural, charitable and university sectors, the undefined boundaries of corporate collaborations and promise of deep impact are an alluring prospect.

## Purpose and approach

At More Partnership, we know alliances across sectors will be increasingly important for our clients. This report details new insights about the future of these partnerships and how organisations can collaborate most effectively. It is intended primarily for colleagues in the charity, university and cultural sectors, but there are also important findings for business.

We draw on an unparalleled network and our significant experience of nurturing corporate partnerships. The analysis benefits greatly from the contributions of over 50 senior colleagues who are working across sectors, from the Royal Shakespeare Company, Great Ormond Street Hospital and London Business School, to GlaxoSmithKline, Deutsche Bank and KPMG.

To ensure a manageable scope, we focus on UK corporate giving at the most significant levels. There's a wider world out there, and we're in touch with it – but we couldn't fit everything into these pages.

## Outline

Firstly, we explore the current state of corporate partnerships and find a gradual move from transactional to strategic relationships. The opportunities are considerable: FTSE 100 companies awarded just under £2bn in 2016/17 and are typically disbursing a higher proportion of their pre-tax profits compared to recent years.

The second section explores what will characterise the most successful partnerships of the future. We predict that corporate giving will increase, that more multi-collaborative models will emerge, and that social innovation will be a key feature of transformative partnerships.

Alliances that are rooted in shared purpose and transparency will become an increasingly important strategy to rebuild public trust, and to tackle the most challenging issues of our time. Digital technologies used prudently will foster transparency, engagement and improved impact measurement across partnerships.

The final section explores practical steps for maximising the impact of corporate partnerships, from identifying prospective partners to measuring outcomes. The rewards of more effective practice in this area will be significant. The most effective approach to addressing serious social challenges is often to mobilise business in ways that advantage society and shareholders. When corporates partner with the right causes with careful thought and rigour, they establish a virtuous cycle where these twin aims are mutually reinforcing, rather than divergent.

# Headlines

References for the data below are available in the full report, alongside a caveat about the highly likely under-reporting of corporate giving.

## Current landscape: stable, strategic and sectoral

### Corporate giving is generally stable

- Overall corporate giving in the UK has experienced modest declines in recent years, with FTSE100 companies awarding £1.9bn in 2016/17. However, corporates are being more generous relative to their profit margin: 2015 and 2016 were higher in this regard than any year since 2009.
- The cause-related charity sector is the main beneficiary. However, the university sector secured a record £81m from corporates in 2016/17 (not including funds from corporate foundations), an increase of over 40% on the previous year. In the cultural sector, £96m was received from business in 2015 (the most recent data), and smaller organisations are typically most dependent on this source of income.
- Corporate foundations make up almost a quarter of the top 25 UK foundations when ranked by giving. Funding from the top 50 corporate foundations (which includes FTSE100 foundations, but also many outside this group) has increased in the last five years by 35% (from £199m to £269m in real terms).

### Partnerships have typically become more strategic and multifaceted

- There has been a gradual but significant move from transactional modes of philanthropy, towards multifaceted strategic partnerships that explicitly deliver both business benefits and social purpose. These usually comprise multiple interactions, including employee volunteering, in-kind offerings, sponsorship and cash donations, and are increasingly delivered over longer periods of time.

### Big corporate gifts are rapidly on the rise

- Consequently, corporates are partnering with fewer organisations more intensely. Despite modest declines in overall levels of giving, median donation values continue to increase (to £5m in 2016). Corporates have now overtaken individuals when considering the total value of gifts of over £1m; this has risen ten-fold in the last decade, to over £500m in 2017.

### Levels of giving range significantly by sector

- Almost two thirds (61%) of FTSE 100 companies belong to consumer services, industrials or financials, but these companies account for only 27% of all donations; basic materials and healthcare account for 55% of donations between them, with businesses in healthcare giving the greatest proportion across all sectors.

- Higher education and charitable foundations dominate the list of sectors receiving the largest gifts, with more than two-thirds of the total value of £1m+ gifts between them (from all sources). Higher education receives the highest number (600) of donations of £1m+.

## The future: investment, innovation and impact

### Corporate engagement is likely to increase

- Based on our contributors' views, we predict that giving from corporates is likely to increase in the coming years, partly because the business benefits are clearer and there is more robust evidence that partnerships work. Recent surveys also show that over 90% of charities and 85% of businesses have a view that corporate partnerships will be more important in the next three years. The increasing understanding that business and charities have complementary assets, and the mounting pressure on companies to demonstrate social purpose, will likely be the main drivers of increased investment.

### Partners will increasingly recognise the challenges they have in common

- The most effective corporate partnerships of the future will be those that deliver best practice principles and seize on today's emerging trends. The doctrine of mutual advantage will naturally endure, and we expect that many trends emerging over the last decade will intensify, including:
  - greater investment in long-term strategic relationships (and the corresponding concentration of funding across most sectors); and
  - increased (and increasingly equal) value given to measuring business benefits and social outcomes.
- Against the tide of rising public distrust in business, partnerships that support social causes are likely to be a vital strategy to affirm corporate legitimacy. Millennials, who are typically building their own personal brands through online media, are often most acutely aware of how organisational affiliations serve to complement or contradict their own values.
- Not-for-profit organisations are no longer immune to the tide of public distrust. Given that evidence shows significant public distrust of media organisations, efforts to rebuild trust in the not-for-profit sector are likely to be most successful where partnerships inspire compelling narratives about impact, built on transparency and verifiable evidence.

### Talents across sectors will be harnessed to fuel social innovation

- Increased collaboration through multi-stranded partnerships is a trend likely to intensify in the coming years. Transformative collaborations will build on or move beyond bilateral partnerships to consortia models: charities, government, universities, business and individuals will coalesce around causes and issues, and create movements to drive change.
- These models are likely to focus increasingly on innovation, often embedded within organisations, drawing on the strengths of different sectors, and ascribing equal value to social and business impacts, recognising that both are mutually reinforcing rather than divergent.

### Digital technologies will provide new opportunities

- While social value and business benefits will continue to dictate the nature of the game, digital technologies will continue to transform the way in which it is played – not least because the technology sector is where corporate giving is increasing most rapidly.
- Digital technologies will enable greater engagement, transparency and reach in many corporate partnerships. Online technologies will also be increasingly used to fuel social movements, through online platforms and digital resources, to increase the accessibility and impact of partnerships. And while Blockchain is regarded as a financial technology, marketers and communicators might deploy it as a technology for 'secure storytelling'– complete transparency in corporate partnerships, enabled by digital technologies, may become the ultimate market differentiator.

### Making it work: mission, mutuality and measurement

Adaptable structures, effective organisational cultures and astute people are the essential ingredients to guarantee future success. The most effective organisations will be responsive but with careful regard to the enduring principles of productive partnerships. They will, for example, stay true to organisational purpose and priorities, connect with the view from across the table, and foster openness in relationships.

Here are our top ten tips for those working in the cultural, charity and university sectors, drawn from the main text of this report:

#### Value and impact should be the primary focus – not just cash

The corporate fundraiser who considers themselves solely a raiser of money, with the singular job of extracting cash from corporate firms, is likely to have disappointing experiences. Enlightened corporates are a multi-dimensional resource, able to contribute to social causes in a range of meaningful ways that include, but go beyond, cash transactions.

#### Effective professionals in this area can transcend internal boundaries and work across sectors

This mode of working requires an intellectual curiosity about what makes individuals and organisations tick, an ability to join dots in logic and practice, and a desire ultimately to bring groups together to create change. Strengths-based approaches to recruitment are likely to be helpful alongside competency-based approaches in this context. This delivers a focus on the identification of passions and future potential, rather than relying on past experience alone.

#### Develop a case for partnership

The development of a written case for support is usually the preserve of major gift fundraising, but a similar ‘case for partnership’ is an invaluable tool for corporate engagement. Partnerships typically require a deeper understanding of organisational assets and of the way they interlock, and engagement from a wider range of internal players. The process of developing this case can be as useful as the written document – crafted thoughtfully, it will engage key people, prioritise needs and challenge the organisation to be clear about the benefits it can bring to business.

#### Engaging internal stakeholders is just as important as managing external relationships...

Organisational involvement is essential, but it is also important to have a single, central point of contact for key partners, in order to triage corporate needs, monitor programmes of work and broker relationships. This approach makes a charity more accessible and reduces the transaction costs of working with complex organisations that have a variety of assets. For corporates, this means that conversations can focus on strategic challenges and solutions, engaging across the charity, rather than being limited to discussions about transactions based in a single function. Our experience is that a corporate partnership steering group can help to facilitate internal collaborations and relationship management.

#### …but look outward too

Give careful consideration to distinctiveness, the corporate landscape and how your proposition compares to that of peer organisations. Research on corporate priorities and historical giving can be problematic because companies are no longer obligated to report activity. However, there is an array of information available through web platforms and professionally compiled directories.

### Engage the right people

Who to include will vary, but the optimum is likely to be: a senior executive (to champion the partnership internally); key senior people in the most relevant functions (for universities, this might be the person directing research collaborations or talent, and for charities it might be the director of external relations or marketing); and the head of CSR (who can access corporate and foundation budgets).

### Establish mutual respect early on

The emphasis on value and impact demands that views, assets and experience from both sides of the table are considered equally. Organisations should ascribe equal importance to their own priorities and those of the corporates they wish to engage. Not for profits can often benefit from being bolder in their early conversations with corporates, and should be clear about what is feasible and the desired outcomes.

### Craft a theory of change

This approach identifies shared outcomes to ensure alignment at the outset, and to inform an evaluation framework. The principle of reverse engineering is important here, where initial conversations define desired impact and outcomes, and then work backwards to consider what outputs, activities and resources will be required.

### Volunteering opportunities should be driven by the theory of change

When it is delivered effectively, volunteer identification, management and stewardship can be surprisingly demanding, especially where opportunities are embedded in a charity's core activities. Having the right processes in place and managing expectations is vital. Digital technologies can also help to deliver volunteering opportunities to scale, while avoiding unworkable management costs.

### Robust impact evidence needs to be celebrated through compelling storytelling.

Craft accessible and authentic stories about the motivations, activities and outcomes of corporate partnerships. In the age of digital scrutiny and increasing scepticism about corporate proclamations, narratives need to be strengthened by robust, easily understood and verifiable evidence of impact. Blockchain (the decentralised, shared public ledger technology underpinning many cryptocurrencies) could add radical transparency and deliver 'secure storytelling' – audiences would be empowered by the ability to verify narratives about corporate giving.

# Current landscape

*"If you do not know where you have come from, then you don't know where you are, and if you don't know where you are, you don't know where you're going."*

**Sir Terry Pratchett**
**Architect of worlds, philanthropist (2010)**

### Tales of corporate philanthropy

1. Partnerships between corporates and charitable organisations have existed for centuries. Many universities, for example, were founded by philanthropy, royal patronage, civic leaders or public subscription[1].

2. As the second industrial revolution took hold in the UK in the final third of the 19th century, the concentration of wealth inspired many businesses to engage in social challenges. Leading philanthropists were already linking business to social causes: Henry Wellcome established his pharmaceutical company in London and Joseph Rowntree opened the new Rowntree's factory. Fast-forward a hundred years and the sentiment appears to change.

*"The corporate benefactor must claim to be giving money because he cares about the cause. He must pretend to be intentionally reducing profits and stealing money from his firm's shareholders so that, in fact, he can increase profits...No one likes to think of himself as a hypocrite. But corporate philanthropists should embrace the accusation. Hypocrisy is better than larceny."*

**Jamie Whyte, the Wall Street Journal (2010)[2]**

3. This captures the tension for corporate leaders grappling with the principle of corporate philanthropy. Milton Friedman asserted decades earlier that the "*one social responsibility of business...[is] to use its resources and engage in activities designed to increase its profits...*"[3] In modern times, arguments about the legitimacy of corporate philanthropy are largely redundant. The assumption that such activity cannot contribute to the primary interests of shareholders has been largely refuted.

4. At the turn of this century, a seminal article argued that corporations can, and should, engage with charitable causes to pursue social goals, whilst also attending to shareholders' interests. The two aims, executed effectively, strengthen each other.

*"The majority of corporate contribution programmes are diffuse and unfocused... Rather than being tied to well-thought-out social or business objectives, the contributions often reflect the personal beliefs and values of executives or employees. Corporations can use their charitable efforts to improve their competitive context – to enhance context brings social and economic goals into alignment and improves a company's long-term business prospects."*

**Porter and Kramer (2002)[4]**

1 www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/strategic-fundraising.aspx
2 www.wsj.com/articles/SB10001424052748703724104575378831827395038
3 Friedman: Capitalism and Freedom (1992)
4 hbr.org/2002/12/the-competitive-advantage-of-corporate-philanthropy

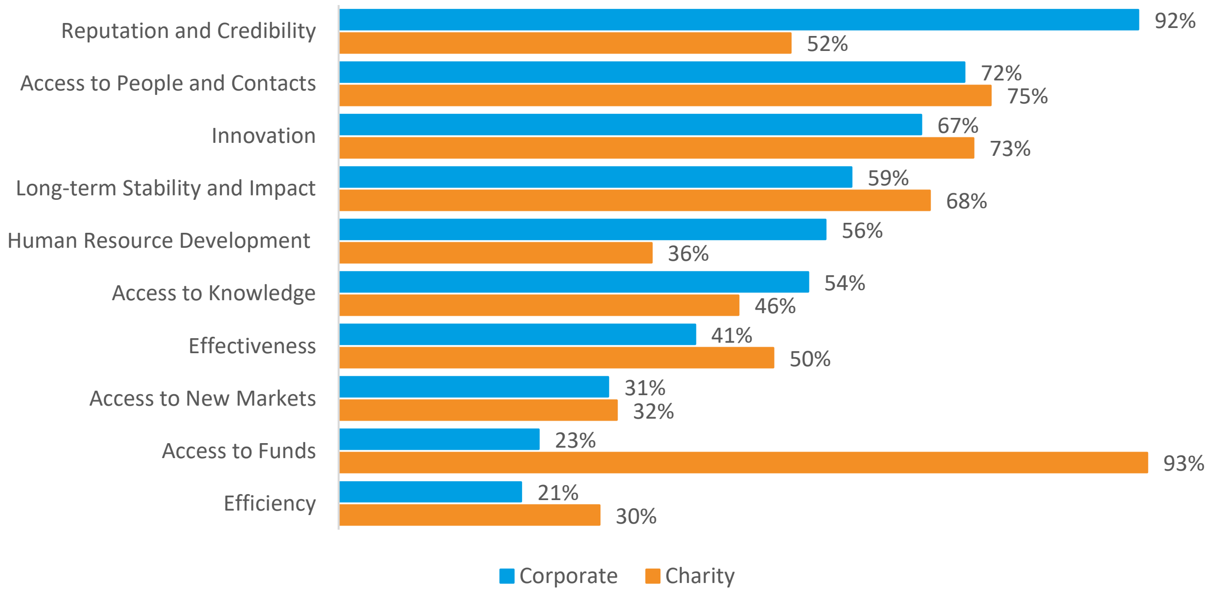
5. The article anticipated the move towards 'strategic corporate philanthropy'. The global financial crisis sharpened the focus on the business case for corporate engagement with social and cultural causes. Progressive partnership models emerged from the hiatus of the recession; a new paradigm for collaboration developed, and Porter and Kramer's proposals were beginning to become reality.

### Drivers for partnerships

6. Research on effective partnerships consistently emphasises the need to recognise all parties' motivations and intended outcomes.[5] Contributors to this study noted that this mutual understanding is even more important when partners have dissimilar organisational cultures, structures and overall purposes.

7. In corporate partnerships, charities typically treasure cash income above all, and corporates value enhanced customer relationships, employee engagement and the positive exposure that comes from demonstrating a wider social purpose. Figure A illustrates the latest data from the annual C&E Barometer, which provides invaluable insights in a variety of areas.[6] Alongside the enduring drivers outlined above, innovation has increased significantly as a priority (by 22%) among charities.

Figure A: Ranking the reasons that companies and charities engage in partnerships (C&E: 2018)




8. Numerous countries adopted the UN Sustainable Development Goals in 2015 to "*end poverty, protect the planet and ensure prosperity for all*".[7] Each goal has specific targets, and charities, governments, the private sector and individuals are all called upon to play their part. Many of our contributors referenced the goals as providing focus for partnerships, though this was rarely considered to be a main driver.

9. For corporates, there is also compelling research about the association between investment in social objectives and stronger financial performance.[8] Causation in either direction is hard to evidence. Successful companies may have more access to cash, which makes it easier to give to charity; or charitable engagement may improve competitive position, thereby enhancing financial performance.

[5] See for example Hughes and Weiss: 'Simple Rules for Making Alliances Work', Harvard Business Review (2005)
[6] www.candeadvisory.com/barometer
[7] www.un.org/sustainabledevelopment/sustainable-development-goals/
[8] See for example: Orlitzky, Schmidt, and Rynes, "'Social and Financial Performance: A Meta-Analysis', Organization Studies 24 (2003): 403–411.

10. A small number of studies have shown quantitatively that growth in corporate charitable giving is positively associated with future revenue growth. The main effect is that corporate philanthropy increases customer satisfaction which, in turn, boosts revenue.[9]

11. There is also empirical evidence that companies are realising significant business benefits through their pursuit of social causes - these include:

- Executive and employee recruitment and retention;
- Brand building, loyalty and corporate image;
- 'Insuring' against PR disasters;
- Building trust and influence among government and legislative bodies; and
- Stimulating innovation, providing companies with new ideas, access to technical expertise, and opportunities for research collaborations.

12. Engagement with charities, cultural organisations and universities can increase recognition and reputation among consumers, and build relationships with influencers, sometimes resulting in reduced obstacles from regulatory groups.[10] A commitment to philanthropy can support the recruitment and retention of talent. When surveyed, a quarter of people recently stated they are more likely to apply for jobs with firms that have a strong track record of supporting charities[11], and almost 90% say their job is more fulfilling when they are given opportunities to have a positive impact on social issues.[12]

13. The strengthening business case for partnerships with not-for-profit organisations is a critical driver for engagement among corporates, and the move to strategic partnerships has been accelerated by this.

### Strategic partnerships: "stop digging and start consulting"

> *"It frustrates me when I see colleagues who've spent decades training digging a community garden. That's important, but they should flex professional muscles – gifting professional support, rather waving a spade."*

**Interviewee, Corporate Sector**

14. Figure B (overleaf) outlines the transactions that typically take place between corporates and organisations across the charity, university and cultural sectors. There are often intersections – for example, a charity of the year partnership is likely to include multiple elements, and cause-related marketing often has a licensing element to it.

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[9] Lev, Petrovits, and Radhakrishnan, 'Is Doing Good for You? How Corporate Charitable Contributions Enhance Revenue Growth', Strategic Management Journal, 31 (2010). For stats fans out there, the studies use Granger causality tests.

[10] Baron, 'Private Politics, Corporate Social Responsibility and Integrated Strategy', Journal of Economics and Management Strategy, 10 (2001).

[11] Online poll of 1,041 people carried out in December 2016 by CAF

[12] www.sustainablebrands.com

Figure B: A summary of the traditional elements of corporate partnerships

| | |
|---|---|
| **Charity of the year** | Many companies adopt a specific charity for a year, dedicating most (or all) of their fundraising efforts during this period. Typically concerned with employee fundraising (sometimes matched), but many companies also provide direct support for the charity. |
| **Cause-related marketing** | A company partners with a good cause to market a product or service (for example donating an amount of money per unit sold). |
| **Donation** | The traditional conceived notion of corporate philanthropy: a donation made directly through the company or through a corporate foundation. |
| **Sponsorship** | Might include sponsorship of an event, publication or activity. The price is based on the benefits accrued by the sponsor, rather than the cost of the activity. |
| **In kind support** | The delivery of corporate services or products with a waived fee, often referred to as *pro bono*. |
| **Commissioning** | Commissioning by corporates of research or wider consultancy from charities is increasingly common, and most prevalent in the university sector; this is a trading activity. |
| **Licensing** | A contract where the corporate can use a brand name, patent, or image for a fee or royalty. For example, a charity may sell a license to include its logo on a product. |
| **Payroll giving** | Money is raised via companies through employees' tax efficient giving. |
| **General fundraising and employee-driven support** | The wide range of general activities that are marketed through companies to employees or initiated by employees. This might include participation in events, or the sale of charity products. |

15. Recognising that the business case for partnerships with charities is unlikely to be fully realised through solely philanthropic transactions, most companies have moved to more strategic models of partnering. This mode of partnership is typically characterised by:

- Being focused around a strategic 'macro-cause', rather than tactical collaboration; for example, national numeracy levels rather than supporting small-scale tutoring programmes;
- A multifaceted range of interactions, involving cross organisational working for both parties, both horizontally (across functions) and vertically (across levels of seniority);
- Employee involvement in volunteering activities and pro bono support, usually drawing directly on professional assets;
- Long-term investment, usually extending beyond one year; and
- A significant commitment to evaluating impact.

## Corporate giving and where the big money goes

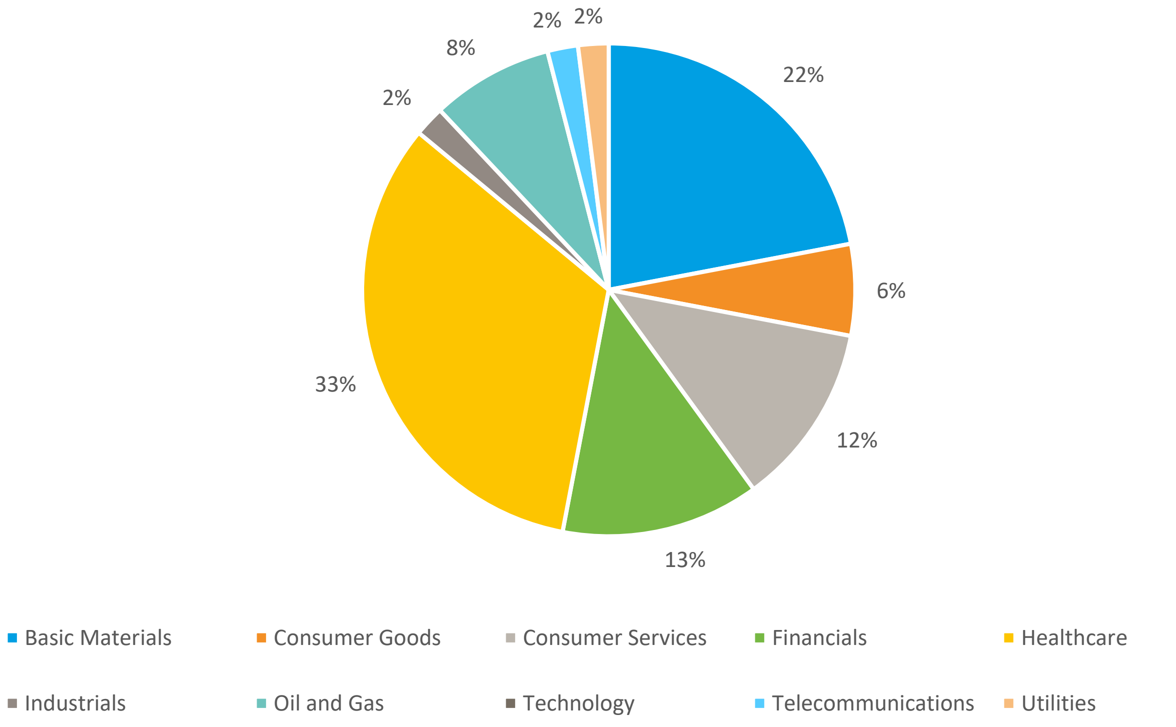
16. Caution should be taken when interpreting data on corporate giving. Amendments to the Companies Act in 2013 mean that corporates are no longer required to report on donations. A total of 15 FTSE100 companies chose not to specify their corporate donations for FY15/16. The rise of strategic partnerships also means that many of the non-financial interactions between corporates and charities are problematic to capture comprehensively, and complex to quantify economically.

17. Analysis from CAF provides valuable insights on corporate giving. The total amount given by the FTSE100 in 2016 was £1.9bn. While total donations have fallen year on year since 2014, businesses are now giving more of their pre-tax profit.[13] The top ten UK corporate givers are listed, along with their respective support, in Appendix B.

18. Fewer organisations are typically benefitting from larger amounts, as the median donation value continues to increase (~£5m in 2016). In the university sector, many large corporates consider research, recruitment and philanthropic support holistically, and contributors noted that many organisations are concentrating their activity with fewer university partners.

19. In Figure C, each of the FTSE100 companies has been assigned by CAF to one of ten industry classifications.[14] Almost two thirds (61%) of FTSE 100 companies belong to consumer services, industrials or financials, but these companies only account for 27% of all donations; basic materials and healthcare account for 55% of donations between them, with the latter being the largest source of funds.

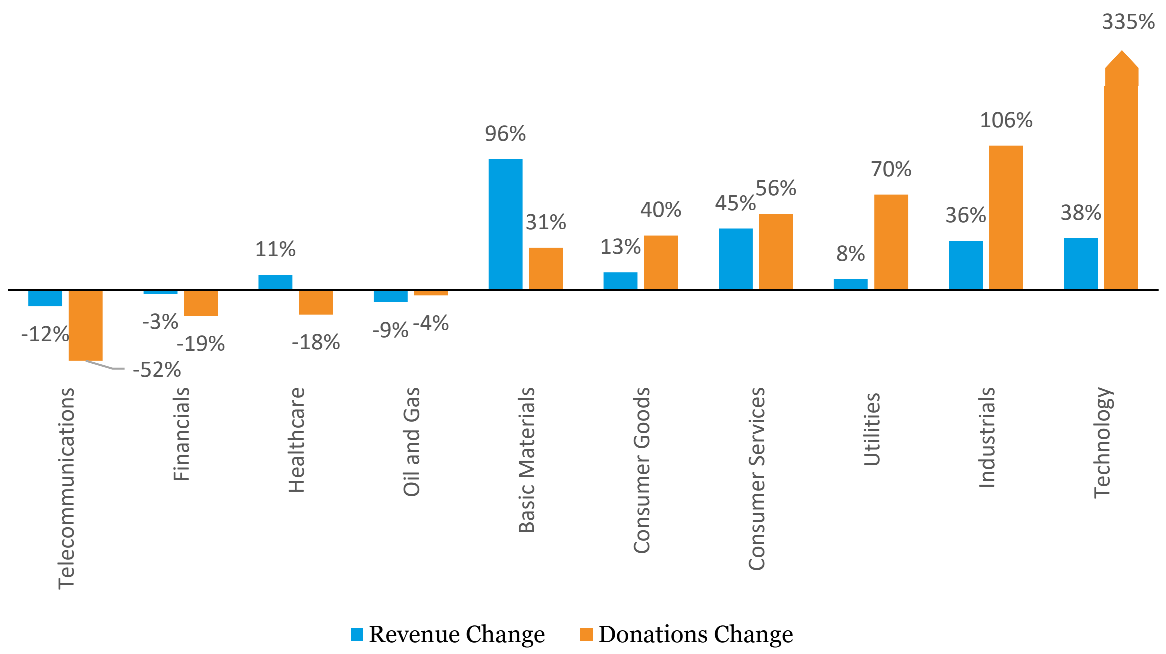
Figure C: Proportion of FTSE100 total donations by sector (CAF:2018)




20. Considering trends across different sectors, Figure D (overleaf) explores net changes in revenue and donations in the period 2009 to 2016. As a percentage change over this time, donations have increased most significantly in the technology and industrial sectors.

[13] https://www.cafonline.org/about-us/publications/2018-publications/corporate-giving-by-the-ftse-100
[14] http://www.icbenchmark.com/

Figure D: Revenue change vs. donation change 2009 to 2016 (CAF:2018)




21. The absence of universities from some of these data is an analytical constraint, and also indicative that higher education institutions are not typically considered alongside cause-based charities. The latest data from the higher education sector show that UK universities secured new funds of over £81m from corporates in 2015/16 (not including income from corporate foundations), an increase of over 40% on the previous year.[15] In the cultural sector, £96m was received from business in 2015, with smaller organisations usually more dependent on this source of income.[16]

22. Considering gifts in the UK of £1m+, the growth in giving from the corporate sector is significant, with a ten-fold increase over the last decade, now at over £500m (corporations have overtaken individuals in terms of the amount given year-on-year). [17] Exploring which sectors receive these larger gifts of £1m+, higher education and charitable foundations have dominated for ten years, receiving over two-thirds of the total value between them (from all sources). In the most recent data, higher education received the highest number of donations of £1m+ (600).

[15] www.case.org/Samples_Research_and_Tools/Benchmarking_and_Research/Surveys_and_Studies/Ross-CASE_Survey/Ross-CASE_2017_Report.html

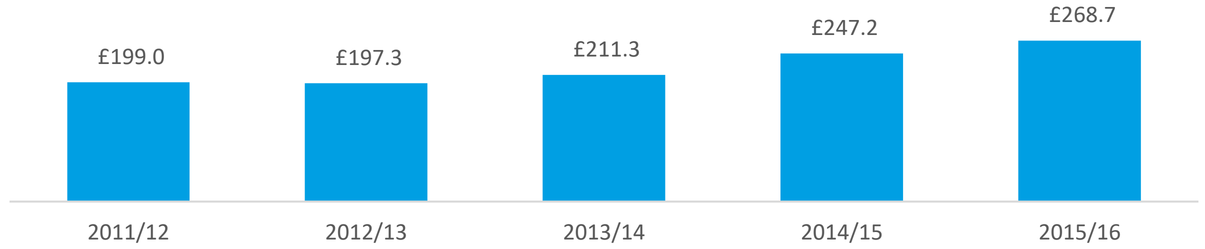
[16] www.artscouncil.org.uk/research-and-data/private-investment-culture-survey

[17] http://philanthropy.coutts.com

### The foundations of corporate giving

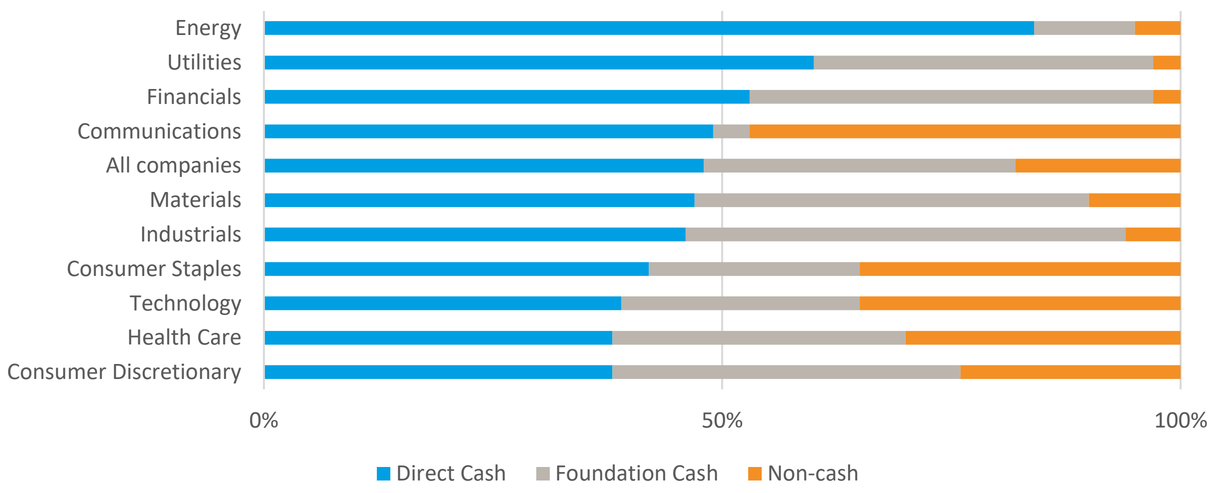
23. Corporate foundations make up almost a quarter of the top 25 UK foundations when ranked by giving.[18] They are typically funded through company endowments, covenants or annual gifts. Considering the levels of giving among the top 50 UK corporate foundations (the top ten are listed in Appendix C), the trends are positive. Figure E illustrates that, over the last five years, grant funding by this group has increased by 35% (from £199m to £268.7m in real terms). Data in this area are robust (because registered foundations have an obligation to report on giving to the Charity Commission) and helpfully compiled by the Association of Charitable Foundations (ACF).

Figure E: Grant funding (£m) by the top 50 UK corporate foundations (ACF: 2017)[19]




24. Corporate foundations are often better placed to innovate and drive change. This is largely because they are not restricted by profit margins and the more risk averse behaviours typically associated with parent companies. Data from the USA offer an insight into how overall levels of support are constructed; financial support typically forms only part of an overall strategic relationship with a charity. Figure F illustrates the distribution of support by sector, considering direct cash, foundation cash (grants), and non-cash (for example, gifts in kind and volunteering). Non-cash contributions play an important role across all sectors.

Figure F: Distribution of giving types by sector (CECP: 2017)[20]




[18] https://www.acf.org.uk/policy-practice/research-publications/foundation-giving-trends-2017
[19] Ibid
[20] https://cecp.co/home/resources/giving-in-numbers/

# The future

### Plus ça change, plus c'est la même chose

25. Contributors consistently felt that corporate partnerships will continue to be underpinned by principles that have been established through existing best practice. The doctrine of mutual advantage will naturally endure and we expect that many of the trends emerging from the last decade will intensify, including:

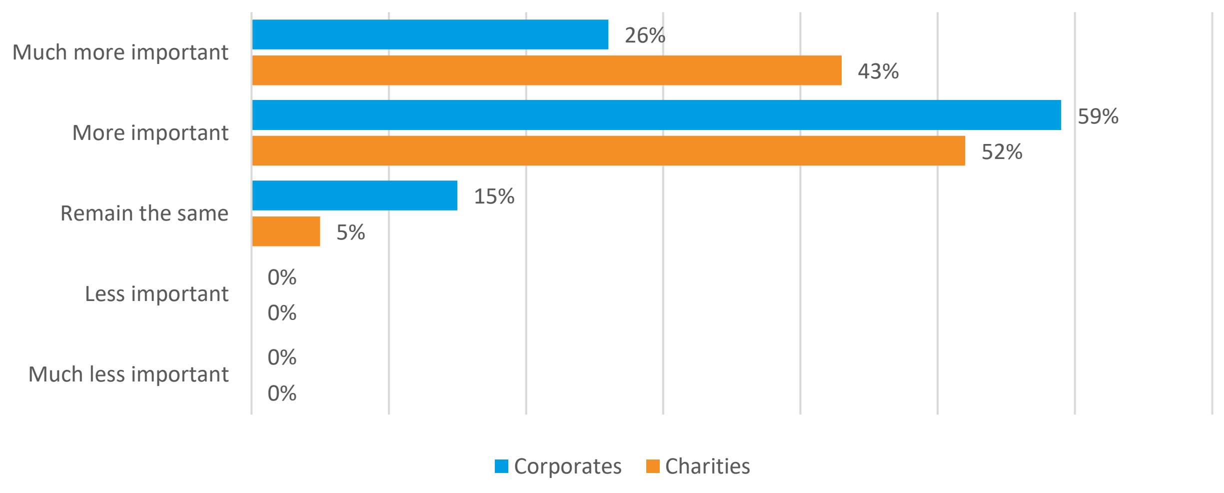
- Greater investment in long-term strategic relationships (and the corresponding concentration of funding across most sectors); and
- Increased (and progressively equal) value given to measuring business benefits and social outcomes.

26. However, much is also likely to change in the years ahead. Here are our thoughts on what that future might look like, drawing on contributors' comments, our own experiences and the latest data.

### Increased investment

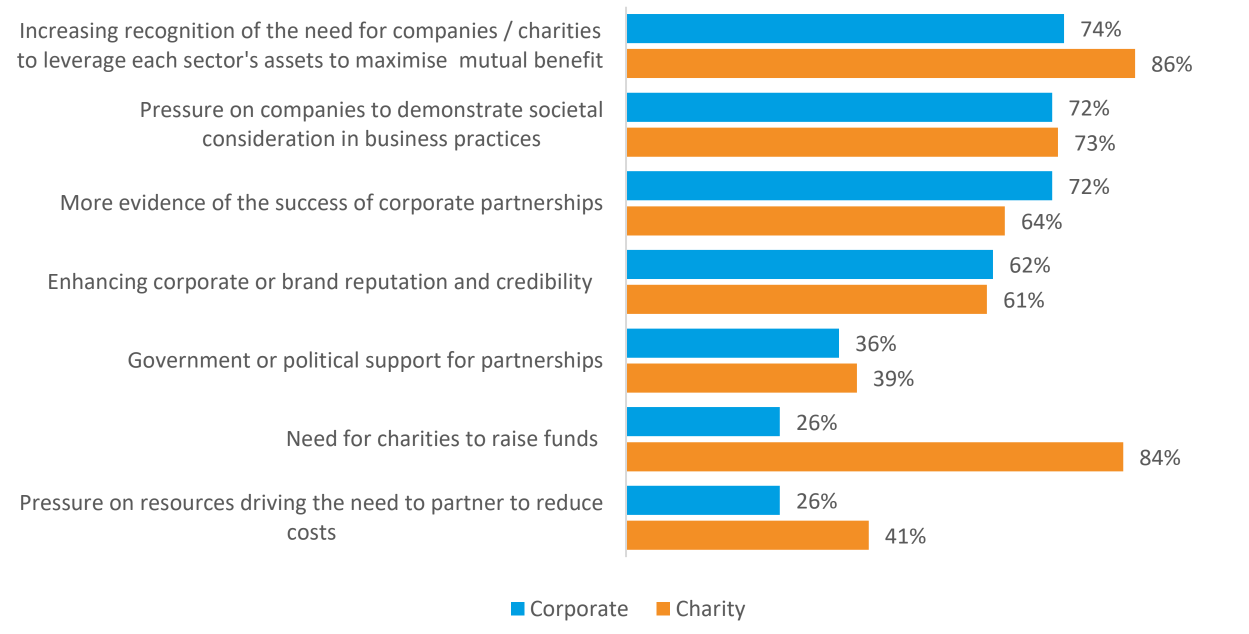
27. Assuming no significant declines in aggregate revenue, we expect the amount invested across both sectors to build relationships, and the amounts disbursed by corporate partners, to increase. Comments from our contributors are confirmed by the latest C&E Barometer findings: 85% of respondents in the corporate sector anticipate that partnerships will become more important.

Figure G: Likely importance of corporate partnerships over next three years (C&E: 2017)




28. The main factors influencing the future importance of corporate partnerships are outlined in Figure H. The defining factors are the increased understanding between business and charities that they have complementary assets, and the mounting pressure on companies to demonstrate social purpose. Building on this second point, many of our contributors reflected on the 'social contract' that businesses hold with consumers and communities, and that stakeholders are increasingly disengaging with businesses that do not inspire respect and trust.

Figure H: Factors affecting the importance of corporate partnerships in next three years (C&E: 2017)




## Public trust: 007 licence to operate

> *"History is moving pretty quickly these days, and the heroes and villains keep on changing parts."*

**James Bond, Casino Royale (1953)**

29. Against the tide of rising public distrust in business, partnerships that support social causes are likely to become an increasingly vital strategy to affirm corporate legitimacy.

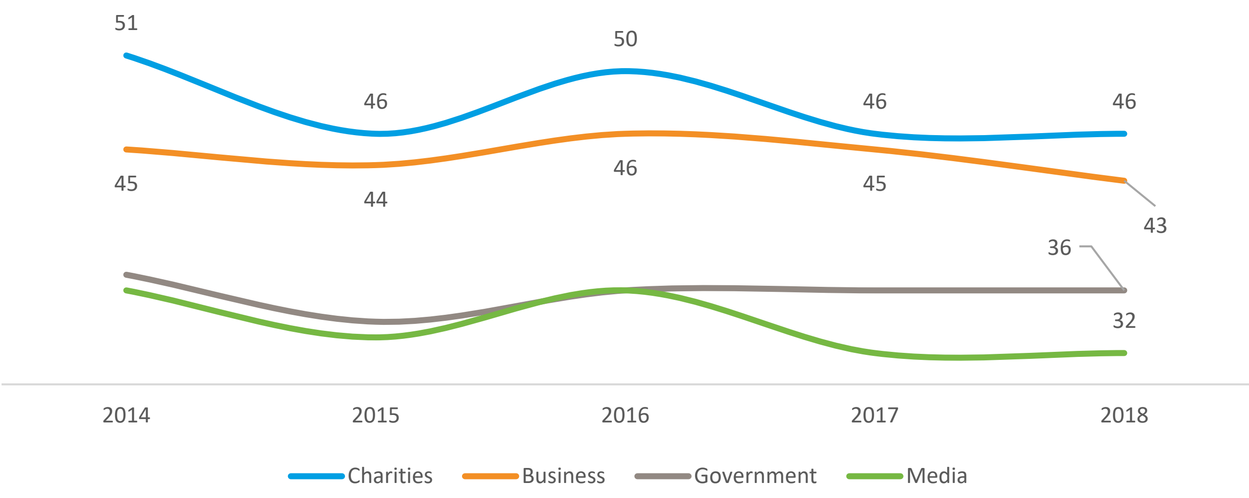
> *"Economic and social objectives have long been seen as distinct…this is a false dichotomy; it represents an increasingly obsolete perspective in a world of open, knowledge-based competition. Companies do not function in isolation from the society around them."*

**Porter and Kramer (2002)**

30. The Edelman trust barometer highlighted last year the largest-ever global drop in public trust in business, government, NGOs and the media. [21] The UK results in 2018 detail a continuing trend: "Britain remains subdued with distrust continuing across the board." The latest results are outlined in Figure I.

[21] https://www.edelman.com/trust-barometer (this includes the methodology used to quantify levels of trust)

Figure I: Public trust in the UK (Edelman: 2018)




31. We are living through a widespread crisis in trust and the ongoing battle to rebuild it. Levels of public trust in the system are low in the UK compared to developed western countries including the Netherlands, Canada and France. The rise in public distrust over the last five years is a construct of a complex mix of factors. But there is little doubt it is partly fuelled by a sense that globalisation has benefitted few at the expense of many; and by an increasing sense of distance between much of the public and the dominant institutions.

*The Coalition for Inclusive Capitalism, a not-for-profit organisation, was established in 2014 to promote the Inclusive Capitalism movement. The aims go beyond corporate social responsibility, and encourage businesses to establish meaningful partnerships, and expand their investment and management practices to regain public trust. It is a global effort to engage leaders across business, government, education and the not-for-profit sector to make capitalism more equitable, sustainable and inclusive. Recent activity includes the development of a structured framework, developed by Ernst and Young, for reporting corporate value to society.*

32. Our social, economic and political fabric matters to business because it affects the potential for corporates to flourish. Increasing distrust should concern business. Public trust in a company and profitability are positively correlated and trust is also a predictive metric.[22] It is a forecast for how stakeholders will engage with and support an organisation in the future.

33. The university, charity and cultural sectors should look inward, too. They have been largely immune to the decline in public trust, but this is arguably no longer the case. Charities enjoy greater public trust compared to other parts of the system, but absolute levels of trust are still worryingly low. Research focusing specifically on trust in charities reveals that levels have dropped by around 10% from autumn 2017 to February 2018; likely a consequence of a number of scandals across this sector.[23]

34. Amid this distrust, corporates, charities and universities will need to reassess how they engage with their stakeholders and the broader public. Digital tools, including social media and the immediacy of news

[22] See the analysis by Fortune.com
[23] https://nfpsynergy.net/free-report/trust-charities-2017

reporting, bring a greater sense of urgency to this, since they increase exposure and empower consumers with information (and dis-information), and the ability to act on it.

35. Millennials, who are often building their own personal brands through social media, are often most acutely aware of how organisational affiliations can complement or contradict their own values.[24] Amongst those who are on the ascent to positions of influence there is the increasing expectation – both as employees and consumers – that economic and social goals can be mutually reinforcing.

*New legal forms and organisational models also provide exciting opportunities. For example, 'B Corp' is to business what Fair Trade certification is to coffee. It is a movement aimed at for-profit companies that was launched in the US in 2006, arriving in the UK nine years later. Businesses are certified by the charitable organisation B-Lab, to meet rigorous standards of social and environmental performance, accountability and transparency. Internationally, there are around 2,400 certified companies, with Patagonia and Ben & Jerry's among the biggest names. In the UK, 150 certified companies include Pukka Herbs, Divine Chocolate and Ella's Kitchen, the organic baby food company. The Chief Executive of Ella's Kitchen has advocated that government should cut corporation tax by 1% for certified B Corps.*

*Earlier this year research in the UK revealed that the average year-on-year growth rate of a UK B Corp is 14%, 28 times higher than the national economic growth of 0.5%.*

36. The implications of this public sentiment are multiple. Most notably, given the public has least trust in the media, efforts to rebuild public trust across business and not-for-profits are likely be most successful where partnerships inspire compelling narratives about impact, and are built on transparency and verifiable evidence.

### Nurturing the narrative

*"After nourishment, shelter and companionship, stories are the thing we need most in the world."*

**Philip Pullman, Storyteller, Philanthropist (2014)**

37. Public perception is that only 35% of the FTSE 100 donate to charitable causes (we know most do, and all probably do but some do not report it); and 60% agree that 'corporate responsibility is just a PR exercise for business'.[25]

38. To build public trust in business, corporate partnerships must go beyond philanthropic transactions and comprise cross-organisational approaches. In this way investment in a social cause is engaged and potentially transformative. While necessary, this approach alone is not sufficient. Contributors highlighted that many organisations are not sufficiently committed to measuring outcomes and, where they are, the narrative articulating the impact is often lacking.

*"We have to be authentic and audible, amidst a sea of mistruths and gloss."*

**Interviewee, Corporate Sector**

[24] www.independent.co.uk/life-style/how-to-establish-personal-brand-career-job-millenial-work-marketplace-experts-a7537731.html
[25] www.cafonline.org/about-us/publications/2018-publications/corporate-giving-by-the-ftse-100

39. The need to present a compelling narrative about social action is another factor driving corporates to concentrate resource in fewer relationships. It is easier to talk about a few major programmes that focus on a single cause, compared to stitching together a coherent narrative from multiple diffuse projects.

40. We expect sectors to craft more compelling, accessible and authentic stories about the motivations, activities and outcomes of corporate partnerships. In the age of digital scrutiny and increasing scepticism about corporate proclamations, narratives need to be underpinned by robust, easily understood and verifiable evidence of impact.

41. Transparency will be essential to demonstrate that business is meaningfully engaged in social causes. Without a legal obligation, businesses are left to decide if, and how, they report their charitable activity. This situation may continue to undermine efforts to improve trust, and there will likely be increasing risks associated with opting not to be open.

42. With a stronger commitment to evaluation, these narratives could be more reflective and injected with higher doses of corporate humility. For example, in 2014 the European Venture Philanthropy Association published a report titled 'Learning from Failures…', which collects lessons learned in corporate investments in social causes. The aim was to "help [other] organisations avoid repeating the same mistakes". It is not the default position of organisations to share, or even perhaps reflect on, failure. But investment in evaluation, and a commitment to share and learn, is an important way to show an authentic commitment to the cause.

*The not for profit sector is not indispensable, and some corporates are finding it easier to tell their story alone. There is an emerging trend (especially in the USA) for some companies to launch social cause campaigns without not-for-profit partners. This may be motivated by the ability to control activity and messaging, and an intention to assert genuine commitment by not 'outsourcing' social responsibility to a third party.*

*For example, Patagonia's "don't buy this jacket" campaign, which was originally a bold call for inaction on Black Friday (the annual climax of consumption at the end of November in the USA). In its 2016 Black Friday campaign, Patagonia announced that it would donate its entire daily sales revenue to environmental protection groups. Instead of the anticipated $2m in sales revenues, the company took $10m.*

*AT&T's is the second largest provider of mobile telephone services in the USA. The company launched the "It Can Wait" campaign, which has created an online movement to educate people about the dangers of using a mobile phone while driving. The company has now secured almost 25 million pledges and inspired a campaign fuelled by peer endorsement.*

### From transactional to transformative

*Macmillan and npower have been partners for almost 15 years; in 2004 the charity was named the business' charity of the year. The early vision was to work in partnership to make energy costs less worrying for cancer patients. In 2007, the partners launched npower's Macmillan Fund, offering bespoke support to people living with cancer by capping bills and writing off debt. In 2014, the Energy Advice Team was created, offering guidance to people struggling with their bills. In 2016, the partnership launched a movement to raise awareness of why those living with cancer face fuel poverty. Funding is committed to 2019, and npower has now given more than £9m to support more than 34,000 families affected by cancer, as well as volunteering hundreds of hours of support with a direct cost-saving benefit for Macmillan. Included in this, npower has paid out £4.5m through the Macmillan Fund, supporting over 4,000 families.*

43. Deep social change is rarely created by corporates through single philanthropic transactions. We expect the trend towards greater strategic partnerships to intensify in the coming years. Charities, universities and cultural organisations are likely to face important decisions about whether to embrace more complex and multifaceted collaborations, or to pursue more the modest (and increasingly rare) rewards of traditional philanthropic transactions.

*KPMG's latest corporate responsibility strategy makes a strong commitment to improve numeracy in the UK. The firm is partnering with the charity National Numeracy to create a movement to drive change on UK numeracy. Nearly half of working-age adults in the UK have the numeracy skills of an 11-year-old. This is estimated to cost the UK economy £20bn per year. To reverse the trend, the partnership aims to change attitudes towards numeracy, and will launch the UK's first ever National Numeracy Day on 16 May 2018.*

*The day brings together individuals, businesses, education providers and influencers to help reframe attitudes towards numeracy and underline the importance of numeracy in everyday life. KPMG will distribute numeracy toolkits across their network of schools, and deliver numeracy workshops, as well as encouraging the public to take action to improve their numeracy. In the future, the partnership will work to encourage businesses to get people across their workforce, supply chain and communities to test their numeracy and access support to improve it.*

44. The number of organisations that characterise their partnerships as "deeper, problem-solving partnerships designed to address core, mission-relevant or purpose-led issues…" has increased significantly to 42%, compared to 24% last year.[26] Our contributors also highlighted a significant movement towards more mature and longer-term partnerships, with all sectors increasingly placing innovative solutions at the heart of their relationships.

[26] www.candeadvisory.com/barometer

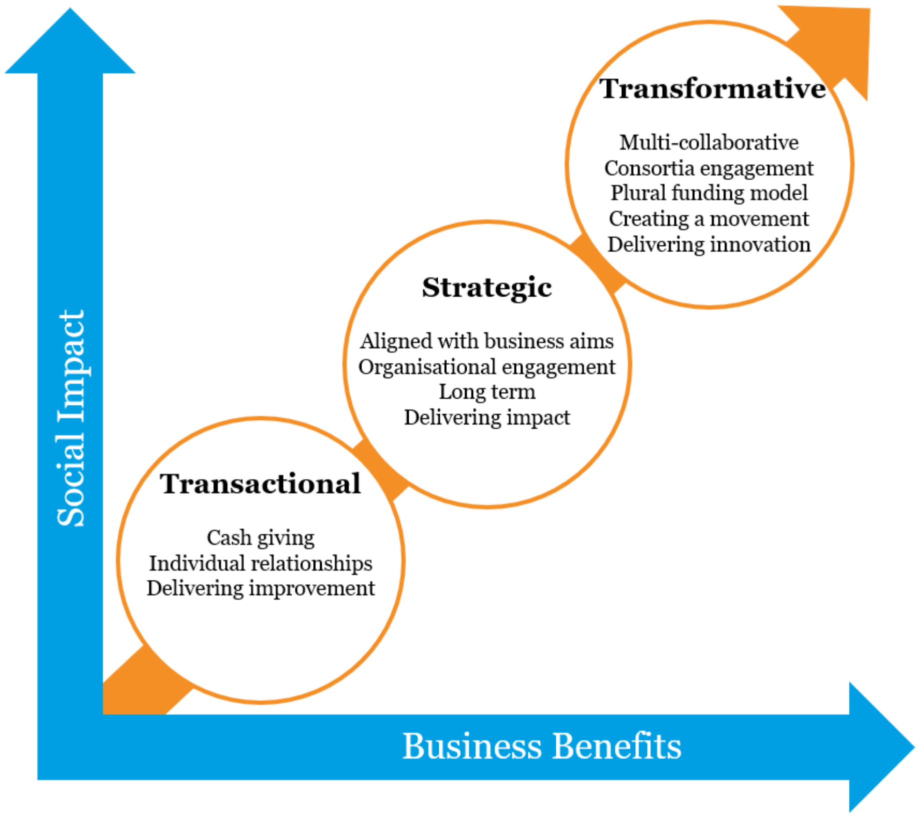
45. Established strategic partnerships may mature to transformative collaborations that move from bilateral partnerships to consortia models: charities, government, universities, business and individuals will coalesce around causes and issues. Corporates have global reach and can create scale and impact, and although this report focuses on the UK, many large companies have global footprints and are therefore looking for collaborations with multiple partners that can deliver this impact.

*Siemens continues to strengthen its engagement with the University of Sheffield, building on existing relationships and developing new partnerships to enable broader and deeper interactions to fuel innovation. A new partnership between the two organisations was launched in September 2017 to accelerate digitalisation, boost digital skills, and promote technology and knowledge exchange to meet the needs of society and industry. The partnership is based on the MindSphere Innovation Network (MINe) developed by Siemens, which harnesses data across the institution to fuel research collaborations between academics and industry partners. Teams from Siemens are embedded on campus to drive collaboration internally, and to enable Sheffield (and other universities) to become hubs for partnering with local businesses.*

*Talent recruitment and science education are also priorities. Siemens is running student projects and placements, seminars and PhD studentships to support the next generation of engineers at Sheffield.*

46. These models are likely to focus increasingly on innovation, often embedded within organisations, drawing on the strengths of different sectors – as illustrated in Figure J. These transformative collaborations are likely to fall within a wider movement towards 'social Silicon Valleys', which is discussed in the section that follows.

Figure J: From transactional to transformative partnerships



*The Victoria and Albert Museum (V&A) partnered recently with Levi's and Sennheiser to launch a major exhibition that explored the significance and impact of the late 1960s on today. More than 350 objects encompassing photography, literature, music, design, film, fashion and performance illustrated the way that a whole generation shook off the confines of the past. Levi's sponsored the exhibition, which included many iconic items from the brand, and music was integrated with video and moving image and played through Sennheiser headsets. The headsets used innovative audio guide technology which adapted the sound to the visitor's position in the gallery.*

### Social Silicon Valleys

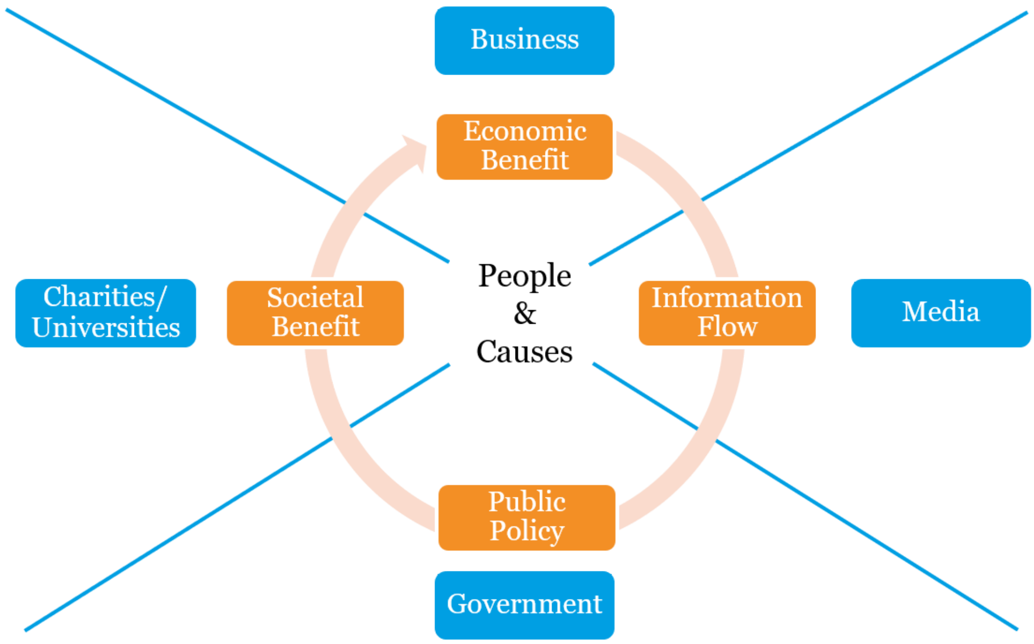
47. Globally, vast amounts of expertise and resource are devoted to innovation in science and technology. Far less energy is dedicated to social innovation, despite pressing needs across a variety of fields including inequality and poverty.

48. Social innovation is not a new concept, but it has become more prevalent in the last decade. It is centred on generating new ideas that work, usually built on new models of cooperation to address social challenges to the benefit of all. This differentiates it from social improvement, which denotes incremental change; and from creativity and invention, which are key to innovation but do not embrace the challenges of application.

*Carlsberg, the Danish brewer, has repeatedly stated that partnerships with other companies, governments and NGOs are key to meeting the company's four stretching targets to reduce significantly its carbon footprint, water waste, irresponsible drinking and workplace accidents by 2030. Amongst the various innovations that have emerged from multi-collaborative partnership models, one of the most notable is the green fibre bottle. This will be the world's first bio-based beer bottle, made from sustainably sourced wood-fibre that is 100% biodegradable, the result of a long-term cooperation between Carlsberg, Danish start-up EcoXpac, Innovation Fund Denmark, Swedish forestry company Billerudkorsnäs and the Technical University of Denmark. The Carlsberg brand will likely adopt a new slogan "Probably the best beer for the world", but this will only be used in specific advertising, such as the launch of the new green fibre bottles.*

49. Much established practice in public policy has its roots in social innovation. The Young Foundation advocates a concerted approach to social innovation and coined the phrase 'Social Silicon Valleys' to describe the institutions that will mobilise resources to tackle social problems, in ways that are comparable to the investments in technology in Silicon Valley. Social innovations solve problems by harnessing human and financial capital across sectors – they are typically combinations or hybrids of existing products and services, and implementation usually involves working across organisational and disciplinary boundaries, as outlined in Figure K.

Figure K: Multi-collaborative innovation model (adapted from Edelman: 2018)




50. Many international charities now consider innovation as a critical way of harnessing new technology to achieve greater impact. Social innovation usually depends on active brokers: institutions that bring together ideas, money and influence. Contributors noted that funding in this area is likely to increase and diversify, with corporate partnerships complemented and boosted by, for example, outcomes-based impact bonds and crowd funding. Social innovation can sometimes be accused of distracting from underlying structural problems and systemic inequalities; but its history, definitions and approaches provide a compelling model around which corporates, charities and governments can come together.

*The Social Innovation Exchange is the world's primary network focusing on social innovation. The vision of the charity is for a world where everyone is empowered to work together to change society for the better. It was established in 2008, and incubated by the Young Foundation until 2013, when it became an independent organisation, with support from the Calouste Gulbenkian Foundation. They work with governments, businesses, universities, funders, charities, practitioners and leading social innovation intermediaries to accelerate the field of social innovation around the world. The activities include capacity building programmes and convening leaders' networks.*

### Digital technology

51. While social value and business benefits will continue to dictate the nature of the game, digital technologies will continue to transform the way in which it is played. The technology sector is where corporate partnership is most significantly on the rise, and digital technology is providing the substance for innovative new partnerships.

*The Royal Shakespeare Company's The Tempest was the first theatre production to feature live performance capture. Motion capture sensors in the Xsens suit worn by the actor Mark Quartley in the role of Ariel enabled animated versions of Ariel to appear live on stage. Quartley's performance was also the first to showcase real-time facial tracking technology, which allowed him to control the facial expressions of his digital character as well as the movements of his body.*

*The programme brought together the RSC, Intel and the Imaginarium Studios, a production company specialising in performance capture. A review by Nesta, an innovation foundation, highlighted that the process acted as a catalyst for each of the partners to innovate by looking at their art, technology and tools differently. A set of shared aims was identified early on in the R&D process, with progress against them forming the basis of weekly partnership calls.*

52. Digital technologies are opening up new ways of giving: established models such as crowdfunding and contactless payments (see the Blue Cross "pat and pay" campaign) will feature increasingly, and present new opportunities for corporates to be involved. Amazon has recently announced that Echo with Alexa will now allow you to donate to one of 48 charities with voice commands. However, these modes of giving may just be the hallmarks of the decline in direct marketing; while digital can make giving more convenient, people and corporates will ultimately continue to give to causes that deliver impact and inspire trust.

*Blended models of traditional and online fundraising are also likely to become more prevalent. St John Ambulance recently partnered with Tesco, for example, to launch a CPR babygrow to increase awareness about how parents can respond in an emergency. Tesco gave away a limited stock of babygrows with a suggested donation of £3, while more could be purchased online and the campaign used digital media to create an online movement. Last year, the Ryanair partnership with SOS Children's Villages involved a range of typical offline fundraising mechanics alongside a 'digital donation day', and a childhood memory competition that was run across Ryanair's social media platforms.*

53. Videogames are big business (around 1.5 billion people play, and the global market is set to reach $100bn in coming months).[27] Many games companies support charities through partnership programmes, but few offer a facility for gamers to give directly to charities through in-game purchases. Amongst gamers, 58% are interested in donating while playing; and 59% are more likely to pay to remove adverts if some of the cost went to charity.[28] Even a small change in the ability for gamers to support charity could introduce a new paradigm in cause-related marketing for the gaming sector.

[27] https://www.cafonline.org/about-us/publications/2017-publications/giving-through-gaming
[28] *Ibid*

*The Red Cross partnered with Electronic Arts in 2013 to create a special download for Sim City, an EA video game which challenges players to build successful cities. The partnership enabled players to provide assistance to real people affected by real-world natural disasters (just like they do for their 'Sims' in-game). When a natural disaster strikes the in-game city, players could supplement the available in-game emergency services with additional assistance from the Red Cross relief centres by purchasing Red Cross branded digital content.*

*More recently, the creators of Halo (a first-person shooter video game) offered players in urgent need of a significant boost to their virtual 'health' an option to buy a relief and recovery pack. The proceeds from the purchase went directly to GlobalGiving, to assist with relief efforts in developing countries.*

*Charitable gamers can also buy software bundles through Humble Bundle, an online game store that always donates part of the price to charities. The core of the bundle philosophy is flexible pricing, and over $126m has already been raised for charity. When a bundle of software is purchased, the consumer chooses the price they want to pay – and they can choose how their money is divided between the software creators, charitable causes, and the platform.*

54. Digital technologies are also being harnessed to fuel social movements, through online platforms and digital resources to make partnerships accessible and increase impact. For example, the *HeForShe* movement, and *BlackLivesMatter*, have toolkits that people can download and use to inspire action. In some partnerships, digital technologies are the main tool for creating change, for example at Girl Effect mobile technology is placing unprecedented power in girls' hands in developing countries, with multiple corporate partners engaged.[29] Online technologies can also provide greater transparency and engagement in giving, which will become increasingly important in corporate partnerships.

*Oxfam was one of the first to use digital technology to build corporate relationships. An important mechanism for engaging and building trust is the MyOxfam application. This enables supporters to control their donations, explore a map showing where donations are directed, and read stories highlighting the impact of their contributions. There is a similar approach at Thankyou, an Australian social enterprise that commits its profit to social causes – using GPS technology, consumers can track live the impact of their purchase by scanning products' barcodes.*

55. To expand fundraising opportunities, some charities are accepting bitcoin and other cryptocurrency donations and using blockchain technology to reduce the cost of payments across borders. Blockchain (the decentralised, shared public ledger technology underpinning many cryptocurrencies) could add radical transparency to corporate practices. This technology could help corporations to affirm their commitment to social causes through 'secure storytelling', allowing easy verification of giving and impact. While Blockchain is regarded as a financial technology, marketers and communicators might deploy it as a storytelling technology – complete transparency in corporate partnerships, enabled by digital technologies, may become the ultimate market differentiator.

[29] https://www.girleffect.org

## Making it work

*"The lack of strings attached you might associate with a major individual gift will never happen [with corporate partnerships]. But that's the point, it's much more valuable – play the strings with skill, make the whole instrument hum, and you can achieve so much more than with a straight donation. The cash is important, but if you think that cash alone is the route to maximum impact, then maximum impact you shall never have!"*

**Interviewee, University Sector**

56. Engaging with business is rarely a fast track to easy money. Corporate partnerships can be slow to develop and usually involve extensive research and planning, divergent organisational cultures, and relationship building with a host of key individuals.

57. Where approaches are undertaken thoughtfully and professionally, the prize warrants the pursuit. The most effective ways of making it work will vary by organisational mission, size, experience, resource and sector. The essential ingredients for success are clear purpose, effective organisational structures, and motivated people. The most effective organisations will be responsive and adaptive, but with careful regard to their own missions, and the enduring principles of effective partnerships.

58. There is a significant body of research about the ingredients of successful partnerships. The extract below emphasises two key lessons: a clear sense of organisational purpose is needed to navigate the corporate landscape, and internal engagement is essential.

*"The managers tried their best to get their respective companies' executives realigned in support of the partnership, but it was too little too late. Looking back, they realised that the alliance had been driven, shaped, and negotiated by executives from only two of the affected divisions; true buy-in from other parts of the enterprise had never been secured."*.

**Hughes and Weiss, Harvard Business Review (2017)[30]**

### The compass and the map

59. The need to begin with organisational purpose and priorities is important to any fundraising, but especially when navigating the corporate landscape. Our contributors recommended concentrating initially on the purpose and priorities of your organisation and on the business benefits your organisation can bring to corporates. Clarity in these areas should then inform the assessment of optimum partners, and the model of partnership. Those developing strategic corporate partnerships must understand deeply the organisation's needs and inspire coherence internally about what is desired from corporate partnerships. This will require a strong internal network, and the engagement of colleagues across functions and levels of seniority.

60. The development of a written case for support is usually the preserve of major gift fundraising, but can also be an invaluable tool for corporate engagement. In many ways it is more essential, because corporate partnerships typically require a deeper understanding of organisational assets, and of the way they interlock, and dynamic engagement from a wider range of internal players.

[30] https://hbr.org/2007/11/simple-rules-for-making-alliances-work

61. A case for support (or, rather, a case for partnership) articulates the purpose and vision of the charity, why it is unique, and how partnering can deliver social impact, and deliver business benefits. This document is not intended to be static, nor is it a script from which to read. It is a fluid document that provides the framework and vocabulary for delivering a compelling narrative to corporates.

62. The process of developing a case for partnership can be as valuable as the output. Crafting it should engage key people internally, to ensure a clear understanding of assets, priorities and opportunities. It is often best developed through consultation and workshops, because if people internally can hear themselves in the resultant case for support, they are far more likely to endorse it, and the commitments and communications flow from its execution.

63. A compass is no good without a map, and preparing a case for support should not be a wholly introspective exercise. Careful consideration should be given to distinctiveness, corporate priorities, and how the proposition compares to that of peer organisations.

64. Research on corporate priorities and historical giving can be problematic, since companies are no longer obligated to report activity. However, there is an array of information available through web platforms and professionally compiled directories.[31] The tendency for corporates to celebrate activity in their own publications, and through media channels, means basic information is relatively straightforward to access. Networking events are also important opportunities to research, and to gain privileged insights into an organisation's priorities.

### Cash, value and impact

65. Value and impact should be the primary focus. The corporate fundraiser who considers themselves solely an extractor of cash from business is likely to encounter disappointment. The move to transformative partnerships will depend on long-term organisational engagement on both sides. Rather than selecting partners that fit employees' needs, or short-term fundraising activities, charities and companies should focus on partnerships that will deliver maximum impact.

66. This emphasis on outcomes, rather than on single points of contact, will naturally lead to an exploration of how a corporate partner and charity can engage in multiple ways, where the whole is worth more than the sum of the parts.

67. This has implications for how the success of corporate partnerships are measured, but also for how those leading the development of corporate partnerships are assessed by peers and senior colleagues. The relatively straightforward metrics that might be appropriate for major gift fundraisers are harder to apply to those pioneering corporate partnerships. For example, a successful corporate partnership manager in the university sector may raise money directly for university bursaries, but they are also likely to secure internships for students, eminent guest speakers and industry research collaborations. Quantifying the value of such engagements can be problematic, but it is the principle of ascribing value to them and recognising that they directly support strategic priorities which is important.

68. This emphasis on value and impact also demands that views from both sides of the table are considered equally. Establishing effective partnerships requires that organisations are able to ascribe equal importance to the priorities of the corporates they wish to engage. This more commercially minded approach requires a sharpened awareness of the charity's strategic priorities, to effectively match these needs with those of the company.

[31] See for example: www.dsc.org.uk/publication/the-guide-to-uk-company-giving-201718/

### Organisational approaches

69. When it comes to the most effective organisational structures, the size of a charity obviously matters, alongside overall ambition and available resource. An optimum structure is not prescribed here, but rather we outline the characteristics of effective models that were highlighted by contributors.

70. Corporate engagement teams are configured differently between and within sectors: some comprise a sole corporate fundraiser; many have a small team with all staff involved in establishing and managing relationships; and responsibilities are sometimes split between sectors or products.

71. While the more pro-active and sophisticated coordination of corporate partnerships is developing, ideas about how to work with corporates are too often perceived as a function of the fundraising team, rather than being rooted in programmes, research, and (in the case of universities) the careers service or teaching and learning. It is seductive for those leading on corporate partnerships to try to go it alone, because its felt unnecessary to engage wider colleagues, or considered more trouble than it is worth.

72. Effective relationships between account managers in both organisations are necessary, but not sufficient. Those leading corporate partnerships will find that in order to fully explore the range of strategic options, and to deliver on agreements, the engagement of colleagues across the organisation will be essential. Although an account manager is often the key point of contact (and there are likely to be multiple people working across different partnerships as in major gift fundraising), they are rarely an expert across all partnership functions. As such, relationships must also be developed on a peer level. For example, a Head of Marketing speaking to their equivalent is likely to generate deeper conversations, where mutual interests can be identified, and practical implications explored.

73. Organisational involvement is essential, but it is also important to have a single, central interface for key corporate partners, in order to triage companies' needs and broker relationships. This approach makes a charity more accessible and reduces the transaction costs of working with complex organisations that have a variety of assets. For corporates, this means that conversations can focus on challenges and solutions, engaging across the charity, rather than being more limited by discussions about single transactions based in a single function.

74. In large, complex organisations, formal structures can assist with engagement. Our experience is that a corporate partnership steering group can help to facilitate internal collaborations and relationship management. The delivery of cross-institutional approaches means that key partnerships need multiple parties' expertise and enthusiasm. This holistic approach can help secure competitive edge and establish the most meaningful strategic partnerships.

75. For all organisations, the systems underpinning the structure are critical too, including a dependable CRM and a method for classifying corporate relationships, to evaluate progress and plan activity. It can be challenging to collate information across large, diffuse organisations, but this information is essential for developing and nurturing key relationships. Colleagues across the organisation can be incentivised to share information by having the advantages of doing so clearly stated, and by being reassured that key contacts will not be commandeered.

### Establishing and building relationships

> *"Ask not what the corporate can do for you, but what your organisation can do for them. And then check it's realistic, aligns with priorities. Oh, and then check you are speaking with the right people."*

**Interviewee, University Sector**

76. While ambitious partnerships are cross-organisational, they are built on trust and understanding between individuals. Corporate partnerships are developed initially from a variety of places including: transactional relationships established within the organisation; networks enjoyed by senior colleagues and trustees; good research and compelling communications; referrals from existing partners; and (in the case of universities) the engagement of alumni. Being personally and organisationally visible is also critical. Those facilitating corporate partnerships should capitalise on opportunities to network, and successes in this area should be celebrated publicly with a focus on impact. The case for partnership should express clearly the strong products and projects that will entice corporates in to find out more.

77. Strategic partnerships are not typically established from scratch. The relationship usually begins in a simple way and expands as mutual trust grows. For example, in the university sector we have heard from many contributors that relationships begin with a single transaction (student internships, or a guest lecture for example) or a single-point relationship between an academic and a corporate employee, and these relationships then develop across both organisations. It is usually a combination of bottom-up and top-down, whereas in the wider charity sector it is far more typical for strategic relationships to be planned amongst senior colleagues in the first instance.

78. Considering which people in corporates to engage, contributors noted that a combination is most effective, the optimum often being: a senior executive (to champion the partnership internally); the key senior person in the most relevant function(s); and the head of CSR (who can access corporate and foundation budgets). Establishing principles early will help to set the tone for future interactions. The power balance in early conversations is important – developing an equal partnership that recognises each other's strengths should allow the partnership to deliver more impact.

79. The multifaceted nature of most corporate partnerships means that contractual and legal frameworks can be complex. As with any fundraising, there are codes of practice, and legal requirements associated with the development of corporate and charitable partnerships. Here's not the place to provide an exhaustive outline of these; instructive materials are available.[32] The multifaceted nature of relationships can also create complexities when considering tax liabilities and intellectual property rights. It is often a legal requirement for a charity to have a contract with a business they are in partnership with – this should set out all obligations, and ensure all parties know where they stand from the outset.

### Contact sport

80. Corporate partnerships are a contact sport and it matters who's in the team. There's no prescriptive formula to who gets ahead but contributors reflected on key qualities.

81. These naturally included the competences found in any fundraising job description including: strong written and verbal communication skills; the ability to build trust and engagement quickly; and the ability to relate to different audiences and adapt accordingly. The desirable personality traits are often associated with extroversion – it is about getting out there and making an impression. Correspondingly, effective people need more than networking in their skillset; many of the attributes associated with introversion are also essential, including attention to detail in crafting proposals and reports, and an unswerving commitment to keeping accurate and timely records.

82. Contributors identified that the defining characteristic of effective professionals working in this area is the ability to transcend internal boundaries, and work across sectors. This mode of working requires an intellectual curiosity about what makes individuals and organisations tick, an ability to join dots in logic and practice, and a desire ultimately to bring groups together to create change. Commercial awareness is also essential – understanding what is happening in the world from a business perspective, questioning if

[32] Including, for example, from the Fundraising Regulator and the Charity Commission

activities add value to the business, and understanding the pressures that a particular corporate might be facing (at the macro-level, but also within an individual function).

83. For the creative, astute and commercially-minded professional, the future of corporate partnerships is an exciting proposition. Strengths-based approaches to recruitment are likely to complement competency-based approaches in this context. Strengths-based recruitment delivers a focus on the identification of future potential, rather than relying on past experience alone. Strengths are assessed in relation to both performance and energy, so that candidates are recruited not just for what they can do (performance), but also for what they love to do (energy and motivation).

### Enabling employee engagement

84. Employee volunteering is often an important part of the relationship between corporates and the not-for-profit sector, mainly because of the evidence base that it can enhance satisfaction and create development opportunities for staff. The engagement of employees can also be an important indicator that a corporate's commitment to a cause is sincere.

85. Many of our contributors, however, referred to challenges associated with identifying and managing opportunities for corporate volunteering. When it is delivered effectively, volunteer identification, management and stewardship can be surprisingly demanding, especially where opportunities are embedded in a charity's core activities and require commitment from a range of internal players. In a recent survey, 34% of charities stated that they do not have sufficient capacity to engage increasing numbers of corporate volunteers, yet they often feel obliged to accept them.[33]

86. From a volunteer perspective, the most appealing opportunities can be those that provide relief from the day job. However, in strategic partnerships, opportunities that draw on a volunteer's professional expertise on a long-term basis are typically most valued, but *ad hoc*, unskilled volunteering still dominates.

> *"After many years, I've concluded that it's simply best to be very clear with corporate partners where volunteers can support our activity most meaningfully. We find that employees actually respond well if you're up front and say, 'we have thought really carefully about which skills are most valuable to our work, and how we can make most effective use of your time' – that motivates people, and they find it to be a professional approach."*

**Interviewee, Charity Sector**

87. Having the right processes in place and managing expectations is vital. It is important that the intensity and duration of involvement, the skills required and the support on offer are all made clear to volunteers at the outset. Expectations can be managed verbally – however, for consistency and to emphasise the professionalism of a programme, written guidelines are recommended. This may seem overly formal, but volunteers are likely to react positively to programmes that are professionally managed and provide reassurance about the terms of engagement.

88. Our contributors noted that volunteer programmes often fail because of a lack of processes and strategies, rather than a lack of volunteers or demand for their skills and experience. Digital technologies can also support broader engagement opportunities in partnerships. In particular they can support the delivery of volunteering opportunities to scale, avoiding unfeasible management costs.

[33] www.thinknpc.org/publications/corporate-charity-partnerships/

*The VolunteerMatch Network is an online platform that consolidates national volunteer opportunities in the USA; the platform currently contains over 100,000 volunteer opportunities on any given day (typically including around 50,000 skilled volunteer opportunities, and 5,000 virtual opportunities). It connects companies and their employees to the real-time needs of their local communities.*

### Measuring impact

89. Amidst changing collaborative models and disruptive digital technologies, a resolute focus on outcomes and their fulfilment is hopefully a trend that will continue to intensify. Early conversations with new partners about metrics and evaluation frameworks must be informed by a shared vision for individual and collective outcomes – with respect to social impact and business benefits.

90. Contributors felt that existing models of impact measurement are often over-simple and focused on volume of activity. Too often, the main motivation for measurement comes from a desire for positive media coverage, and marketing teams naturally thrive on big numbers. This can reduce measurement to outputs (number of people involved), rather than outcomes (change realised) and it becomes burdensome rather than a mechanism for continuous improvement.

91. There is an appetite amongst all parties to undertake impact measurement more effectively, and not just in the UK: a recent survey of over 100 corporate foundations in 20 countries found that 78% want to measure long-term impact but only 54% undertake this activity. Contributors also felt that proportionately was an important factor in developing impact measurement. Programme delivery should not be compromised by vast resources being diverted to evaluation; nor should larger resources be spent on programme delivery without a balanced commitment to testing its effects.

92. While the rewards of single transactions may be fairly immediate, the outcomes from strategic partnerships may take years to realise – it is therefore important to balance interim measures of success and longer-term impact. Impact measurement encompasses a wide range of practices, typically ranging from simply recording activity to undertaking randomised control trials to pinpoint the effects of specific interventions. The former is insufficient, and the latter is typically expensive.

93. Identifying desired business benefits and how they might be measured will typically draw on internal and external perspectives and consider strategic priorities, the leveraging of company assets, meeting employee and consumer needs, and supporting key financial issues.

*In 2015, Warburtons (the largest bakery brand in the UK) announced a three-year partnership with parkrun, a not-for-profit organisation which holds running events across the UK. Junior parkrun is a series of 2km events for children aged between four and 14, held in open spaces across the UK, with the aim of getting families together in the outdoors. The free, timed events are held every week on Sundays and children can run, jog or walk the routes. At the end of Year 1, Warburtons/parkrun reported the levels of activity, including the number of children involved from disadvantaged areas, and the qualitative feedback from participants about changed attitudes towards physical activity and increased self-confidence[34]. Additionally, they capture the wider impact, including the percentage of families who spend more time together as a result of parkrun, and the percentage of parents who have also become more active as a result of their children's participation.*

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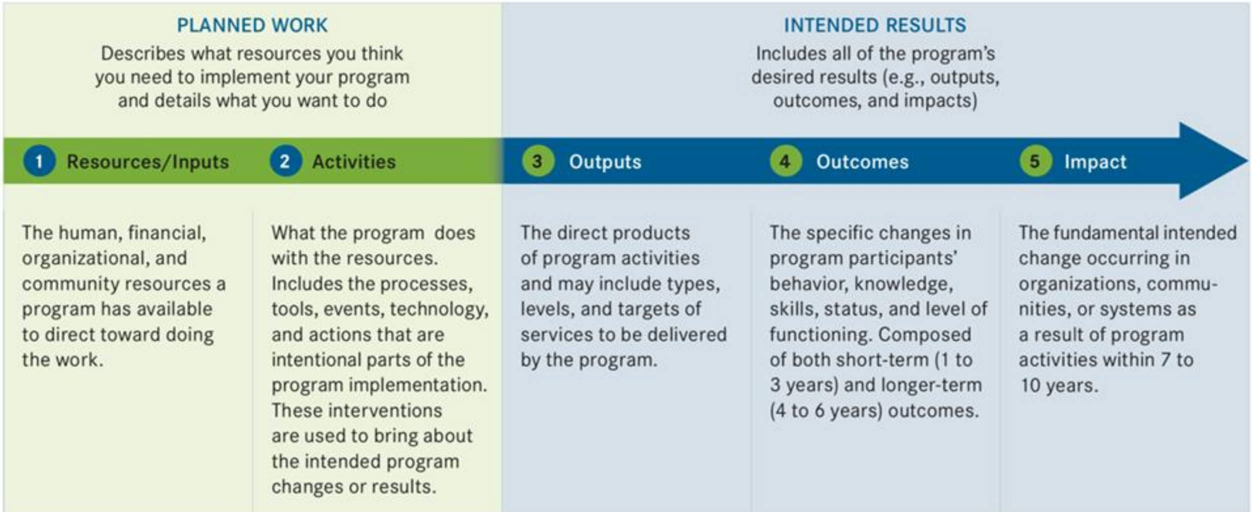
[34] https://www.warburtons.co.uk/assets/flipbooks/junior-parkrun/?page=1

94. In initial meetings with partners, crafting a theory of change and identifying shared outcomes can help to ensure alignment at the outset and inform an evaluation framework which will underpin the collaboration. This model emphasises the importance of tracking outcomes and challenges those involved to connect this directly to investment and to take a long-term view. The principle of reverse engineering is important here, where conversations initially define desired impact and outcomes, and then work backwards to consider what outputs, activity and resources will be required. Examples and a guide to developing this are available online.[35]

Figure L: Framework for a theory of change (from The Conference Board)[36]




*Tools and Resources for Assessing Social Impact (TRASI) is a searchable, expert-reviewed online database of over 150 approaches to measuring the impact of social programmes and investments. It also features a community portal for non-profits, grant-makers and social enterprises to connect with peers and evaluation experts.*

[35] http://www.theoryofchange.org/library/toc-examples/

[36] From: https://corporate-citizenship.com/wp-content/uploads/Measuring-Social-Impact.compressed.pdf

# In closing and about More Partnership

When they work with corporates, charities, universities and cultural organisations are called to be more commercially minded. On the other side of the table, business is invited to understand better how the assets and expertise of the not-for-profit sector can complement and boost their own. The key thing is to be clear about strategic intent, and to be judicious in assessing how partnerships and multi-collaborative arrangements can support innovations to drive positive social change.

We are grateful to the range of contributors to this report and look forward with excitement to continuing our work across sectors to support our clients.

## About More Partnership

At More Partnership, we advance great ambitions. It's why we exist. We challenge organisations to achieve their goals at every stage of their philanthropic journey. We offer a genuine depth and breadth of global expertise, with clients across five continents and a team of specialists spanning education, the arts, health, science, international development and more. We believe great partnerships lead to life-changing outcomes, and we'll work with you to set your direction, understand your opportunity, evaluate your performance and much more. We'll always use evidence to provide the practical training and advice you need to make change happen. And when it matters most, we'll go out on a limb to give you confidence, momentum and a clear way forward. We are fundraising consultants – and more.

The firm has considerable expertise in establishing and nurturing corporate partnerships. Between us, we have directly secured large cash grants from a wide range of corporate partners (including Google, KPMG and Goldman Sachs), and advised a range of clients on developing innovative collaborations that deliver impact.

www.morepartnership.com

# Appendix A: Note of thanks

We are grateful to colleagues at the following organisations who have made contributions to this study:

- Accenture
- Allen & Overy
- Banco Santander
- Barclays
- Cancer Research UK
- Clifford Chance
- Deutsche Bank
- EMBL
- Ernst and Young
- GlaxoSmithKline
- Grant Thornton
- Great Ormand Street Hospital
- Harrison Parrot
- Hogan Lovells
- INSEAD
- KPMG
- London Business School
- London School of Economics
- NatCen
- Pembroke College, University of Cambridge
- Richmond Associates
- Royal Shakespeare Company
- Shelter
- Shift
- Thompson Reuters Foundation
- Università Bocconi
- University College London
- University of Cambridge
- University of Nottingham
- University of Oxford
- V&A
- WaterAid

We are also especially grateful to key individuals beyond our partners who have had considerable input to the study: Roger Harding (Head of Public Attitudes at Natcen), Jordina Evins (consultant), Marah Winn-Moon (consultant) and Jonathan May (Founder and CEO of Hubbub).

# Appendix B: Top 10 corporates by amount given (UK)

Data from the *Guide to UK Company Giving* by the Directory for Social Change:

- Lloyds Banking Group (£64m)
- ITV PLC (£24m)
- Santander UK PLC (£22m)
- Ecclesiastical Insurance Group PLC (£20.4m)
- HSBC Holdings PLC (£18.65m)
- Marks and Spencer Group PLC (£15.5m)
- Goldman Sachs International (£14.3m)
- Impetus – The Private Equity Foundation (£11.6m)
- John Lewis Partnership PLC (£11.6m)
- Royal Mail PLC (£10.6m)

# Appendix C: Top 10 corporate foundations (UK)

Data from *Giving Trends 2017: Top 300 Foundation Grant-Makers*, from the Association of Charitable Foundations:

- Lloyd's Register Foundation (£31.9m)
- British Gas Energy Trust (£28.6m)
- Goldman Sachs Gives (£22.8m)
- BHP Bilton Sustainable Communities (£22.5m)
- Lloyds Bank Foundation (£21.9m)
- Vodafone Foundation (£18.6m)
- Northern Rock Foundation (£13.9m)
- Shell Foundation (£9.4m)
- The Asda Foundation (£6.7m)
- Fidelity UK Foundation (£6.3m)

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