In Good Company; how we can take corporate partnerships into new dimensions

Joe Saxton

The charity world has a conflicted attitude towards companies. There are many charities with large teams dedicated to building corporate partnerships and raising substantial income. There are campaign organisations that will have nothing to do with companies either in terms of income or influence, or that will only work with the most 'ethical' of the corporate world. It must be one of the few sources of income where some people believe that publicly lambasting donors is a productive way to increase income. However, some sector leaders have done it.

My concern is that the relationship between companies and charities is becoming ever blander. Charities hunt the few genuinely lucrative 'charity of the year' partnerships. Companies partner with only the safest of charities, usually in the health arena and often cancer. If this was a crop, it would be a monoculture of wheat. For charities and companies to make the most of each other, we need innovation and courage. The new proposal from the Conservatives could be one of those game-changing ideas, but only if treated right.

So what might some of these new ideas look like? To answer that, it's worth looking at three things: what is the 'currency' of the partnership, how does each party benefit, and which group is being exploited to make the partnership have value? These three are the variables in corporate partnerships.

When a company makes a donation to a charity, the currency is money. The charity gets the income and the company gets to feel good, and the company itself is exploited through its bank balance.

In a 'charity of the year' partnership, the currency is still money. The charity gets the income and the company gets to feel good, BUT the exploited group is usually the staff and sometimes customers of the company.

In corporate volunteering, the currency is company staff time. The company staff get to give their time to the charity and the charity hopefully (but not always) benefits from the volunteering. The exploited group is still the company staff.

These three models look like this in a diagram:

	Which currency	**Benefits**	**Who's exploited**
Corporate donation to charity	Money	Charity gets money	Company
Charity of the year	Money	Charity gets money	Company staff and customers
Corporate volunteering	Volunteer time	Staff get motivated	Company staff

These three models have limited potential to grow. Companies usually don't like just donating money. Only so many companies want to run a 'charity of the year' partnership. Only so many charities can absorb huge amounts of corporate 'binge' volunteering.

So what if we take the three dynamics I set out above and think laterally. We can see some other potential models. Five are represented below:

	Which currency	**Benefits**	**Who's asked**
Ask the corporate customers	Money	Charity gets money	Customers of the company
Ask the charity supporters	Money	Charity gets money	Supporters of the charity
Pay to volunteer	Volunteer time	Staff get motivated and charity gets paid	Company staff
Educating the future	Money and time	Company gets better workforce	Local schoolchildren
New products for new audiences	Money	Corporate sales and charity income	New and existing audiences for corporate products

Let me tease out each of these five models in a bit more detail. It's worth saying that many are already in use, but just haven't taken off yet. To quote writer William Gibson, "*The future is already here, it just isn't very evenly distributed.*"

Ask the corporate customers. So the first of these models on the source of income is the customers or clients of the company, rather than the company itself. In the mass market, this is what the Pennies Foundation is doing by working with companies such as Domino's to let customers round up to the nearest pound on their credit card transaction and give it to charity. I have heard about an Israeli initiative which rounds up through the credit card company – so a customer agrees to round up each statement or each transaction.
At the other end of the scale, I met a direct marketing guru the other day who said they were having great success working with companies to ask their wealthy clients to give to charity. There is huge potential in this model still – in the Pennies Scheme alone there are many other retailers who could join.

Ask the charity supporters. This model is the converse of the previous one. Charity supporters are asked to use a corporate product as a mechanism for giving. The affinity credit card reached its zenith in the 80s and 90s and has since fallen in popularity, which is a shame. There are also a number of affinity savings and insurance products which give to a named charity for each new account. The benefit of this model is that charity supporters are asked to do something other than just give money. Sadly, these schemes never seem to quite reach critical mass.

Pay to volunteer. This may sound like a strange model, but it is probably what the Tory party proposal for three days of volunteering will become. Few charities want a volunteer for just three days, so companies may need to end up paying for the privilege of letting their staff volunteer. This is akin to what the Prince's Trust does with its corporate supporters, where they join a club for a substantial donation and their staff can then become business ventures. The problem is that too few charities dare to ask for a donation, and too many companies are perplexed with why their generous offer of corporate support needs a donation to oil the wheels.

Educating the future. American management gurus like Michael Porter are keen on this kind of corporate model. In their approach, the only kind of corporate/not for profit partnership that makes sense is one that benefits the core corporate objectives. So improving education provision in the area where employees come from makes sense in their model. The nearest we get to this in the UK is where Academies are sponsored by companies and wealthy individuals.

New products for new audiences. I have left the model that excites me the most until last. There are huge opportunities in the financial services marketplace for new products that benefit charities and provide differentiation amid a crowded range of existing ones that are hard to distinguish between. The level of commission in financial services was brought home to me when I discovered a life insurance product I bought, where the total revenue to the company was around £8,000 with a commission for the intermediary of £1,400.

Given the level of pensions, life insurance, mortgages, savings, ISAs and other products that middle class baby boomers buy, the potential is huge. There are also formidable obstacles too – the need to comply with financial services regulation is high amongst them.

However, if I were to predict a single model where charity corporate partnerships could produce incremental revenue for charities, it would be this one: where new products help companies reach new markets, or achieve competitive advantage in existing ones.

In short, if we want to increase the benefit of partnerships, both for charities and companies, we need to think about new ways of working together. If we can reinvent the dynamics of who is exploited, and how charity and corporate partners benefit, we can open up significant new opportunities.