

Civic Involvement Strategic Partnerships

Companies should think as strategically
about community involvement,
as they do about other business functions

By Jennifer Levine Hartz

Recently I wrote about why companies should be involved with the non-profit and government sectors: because it is good for business. Corporate “philanthropy” is not about giving; it is about getting. Everyone – company, shareholder, customer, non-profit and cause – will profit if the programs are conceived and implemented strategically.

Partnerships must begin with an examination of the structural and current challenges and opportunities in the for-profit entity. (The challenges and opportunities in society are significant and varied enough to benefit from any well-placed investment.)

In his book, *Who Says Elephants Can't Dance?*, Louis Gerstner, former chairman and CEO of IBM, disparages “checkbox philanthropy.” He urges companies to consider how they can contribute uniquely to the solutions of society’s problems. As part of his reengineering of IBM, Mr. Gerstner focused the company’s non-profit partnerships where they could provide the greatest leverage – using technology to improve how people learn. As a result, says Gerstner, IBM’s Reinventing Education program “reaches 10 million children and 65,000 teachers and has increased student achievement across grades and subjects.”

Because this program provides economic returns to the business and social returns to schools, two aspects of it have survived Gerstner’s retirement: the program itself and the continued application of the educational innovations created by IBM. Strategic partnerships are the only vehicles that will ensure the virtuous cycle of corporate investment in the community.

The Home Depot created an event to highlight its strategic relationship with YouthBuild USA, which includes the donation of money, materials and volunteers. YouthBuild, which has four programs in Georgia, where Home Depot is headquartered, engages unemployed young adults in constructing affordable housing and completing their own educations. Local programs invite Home Depot associates to a day called “Windows of Opportunity,” when the volunteers install windows on the project site. The participants gain exposure to people who use their construction skills in a retail environment. Clearly, not every company could provide this type of service to a non-profit partner!

In a 2002 article in the *Harvard Business Review*, business guru Michael Porter and coauthor Mark Kramer assert, “Philanthropy can often be the most cost-effective way for a company to improve its competitive context, enabling companies to leverage the efforts and infrastructure of nonprofits and other institutions.” The North Highland Company, an Atlanta-based consulting firm with 180 local employees, is making the most of its assets (smart people) to improve the context in which they and their clients operate.

In the spring of 2001, President Dan Reardon committed to the Metro Atlanta Chamber of Commerce that he and his associates would build a business case on the economic impact of investment in the arts. The results were compelling and led to the formation of the Atlanta Regional Arts Task Force and more pro-bono work from North Highland. Even though staff utilization rates are high, North Highland has already committed \$400,000 in professional services to create a “snowball rolling downhill” for regional collaboration in the arts. Undoubtedly, the company is getting favorable attention from the media and is interacting with executives at important organizations, but the company is also making Atlanta a better place to live, work, invest, and do business. The results of this strategic partnership will positively impact North Highland, its clients and staff for years to come.

Where and how should your company be making a difference? What improvements in society would be beneficial to your business? What unique resource(s) does your organization have to be a catalyst for change? Just like any other important investment your corporation makes, these issues must be considered by executives and business unit leaders and be in concert with your mission, vision, and employees’ perspective.

Jennifer Levine Hartz is President of Corporate Hartz, LLC, a strategic community relations consulting firm based in Atlanta. The company’s web site is www.corporatehartz.com.