

Value Added: What corporate foundations can do to enhance their philanthropic agenda

By Jennifer Levine Hartz



Though corporate giving is a small percentage of all philanthropic monies given to non-profits in the U.S., it has an outsized opportunity to drive societal improvement and influence the hearts and minds of their stakeholders and the nation. (The organization Giving USA reports that about 5 percent of all philanthropy comes from companies each year.)

Corporate and business owner foundations complement the work of annual social responsibility budgets. Foundations donate to non-profits to increase capacity and address targeted community needs. Corporate budgets focus on employee engagement in civic leadership, hands-on volunteering, and skills-based service, as well as involving others outside of the company. Enabling others to contribute is not a substitute for direct investments, and companies know that.

Increasingly, corporations seek to extend “philanthropic leverage.” This means using their products, services and other assets to inspire all stakeholders—employees, customers, vendors, elected officials, investors and media—to become involved with specific charities or issues. Therefore, CR departments and company foundation staffs are growing, despite an overall decrease in hiring—this is complex work. Professionals and expert consultants bring experience with for-profit and non-profit partnerships to effect change, and know how to build core business connections that drive profitability, increase stakeholder engagement, and are seamless to both operations and communications

On the human resources side of the house, companies increase participation and benefits to the business and society with targeted programs. These include:

- Company match for employee dollars donated to a specific campaign or to non-profits year round
- Company match for employee volunteer hours with a donation to that charity
- Sponsoring non-profit board training for promising future leaders
- Supporting employees’ service with non-profits to build skills and networks
- Bringing civic speakers and hands-on volunteer projects to their locations
- Establishing departmental, cross-functional or cross-level team projects or events
- Including families and children in company-sponsored programs
- Mounting an enterprise-wide day, week, or month of volunteer service
- Giving company awards for civic service, with internal and external communications

Of particular interest to employees are skills-based volunteer opportunities, where they can apply their professional experience (e.g., coaching, carpentry, website development, legal expertise, etc.) to non-profits and communities.

On the marketing and sales side, whether it’s a product or service, there are an infinite number of ways corporate foundations develop and promote their brands. As a start, see the section above about human resources; they are the front line advocates. Ideally, foundations and CSR budgets invest in issues that are closely aligned with their business. (For example, The Home Depot’s work on affordable housing and environmental sustainability makes good sense. Law firms’ investing in pro bono legal aid does as well.)

For new professional services: it’s all about networking. Corporate foundations can donate to charities that their new or transferred employees want to serve. Usually, the company brand precedes the human beings’ brand and can be leveraged to facilitate the development of professional networks into which they can sell. (Example: “This is Sally Smith, manager of the first Indigo Hotel in our city!”)

For new geographic markets: community relationships can expand in advance of the arrival into the location. Ask current civic partners to introduce the company to affiliates or non-profits in the same cause area in the new city or country. If people are transferring, help them shift their involvement to new organizations. Employees need to develop new local networks. External communications are critical to generate buzz in the new place.

For new or extended goods: re-brand sponsorships to highlight the new brand; donate the new product to the most appropriate civic partners; non-profits are usually excited to be the first to get, feature or use new products. Work with social media to get the word and the testimonials out, especially if it's a totally novel item.

Consider this example: A couple of decades ago, Timberland donated uniforms and boots to all the City Year leaders who were spending a year doing service in challenging communities. The kids and teens looked up to the volunteers, and guess what became cool? The boots. Once they became cool, who wanted them? Everyone. Everywhere. Now Timberland CSR is focused on Earthkeepers, its sustainability program.

In business operations, corporate foundations can support causes that ameliorate some of the social and environmental challenges directly impacted by their work. For example, building supply manufacturers work with re-forestation organizations. The key to success is for CR to be "baked into" existing company structures, processes, manufacturing, sales, retail, communications and supply chain. If the social mission makes business more difficult, it will not reap the benefits.

Purpose goes hand-in-hand with performance. Proactively "investing for results," generates benefits to both internal and external priorities. Metrics are key here. We have moved beyond simply tracking dollars, hours, and board memberships, to a place of understanding that we need to document outcomes, not merely inputs. Though it is challenging to measure a specific donation's impact on literacy or cancer research for example, reliable robust data can be generated. (CECP reports that 87 percent of corporate members use evaluation metrics to understand their true impact.)

Today, more often than not, corporations report the goals and results of civic investments to investors, employees, customers, vendors, and the greater community. That extensive communications effort leads to valuable increased public trust and improved financial performance.

Jennifer Levine Hartz is the president of Corporate Hartz.

POSTED JUNE 8, 2017 IN PHILANTHROPY



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