Corporate Fundraising: What’s the key to unlocking corporate wealth?

Dr David Cooke
Managing Director
Konica Minolta Business Solutions
Seeking corporate support

• Why do some profit-making corporations build partnerships with the not-for-profit sector?

• Knowledge based on research undertaken with Australian companies clearly demonstrates why

• Understanding this motivation is the key to maximising corporate giving
Australian case studies
Corporate positions

None of our ‘business’
- No participation

Wait and see
- Minor participation

Get involved
- Active participation

Strategic involvement
- Full participation
None of our business

Does a company really have a responsibility to help others in society?

“The business of business is business”.
“The social responsibility of business is to make a profit”.

Milton Friedman 1970
Nobel Prize winning economist
Further support for this view

“The directors of companies are appointed by shareholders to make money for shareholders, not to donate it to other people. Companies should not be deciding what to do with shareholders’ money. They should return as much of it as possible to the shareholders and let them decide what to do with it”

Stan Mather, 2002
Director Australian Shareholders Association

“...companies should not be donating money to a region in which it has no commercial interests”.

Chairman, Australian Shareholders Association
The South East Asian Tsunami
“Our view now, which is perhaps more reflective of public opinion, is that until individuals give more towards areas of need in society, then companies have to bridge that gap”.

Anywhere in the world? ... “anywhere in the world”.

CEO, Australian Shareholders Association
Motivation to participate

1. It’s the right thing to do
2. Risk mitigation
3. Enlightened self-interest
1. It’s the right thing to do

“The corporation truly has to represent it’s capital, it’s shareholders, it’s community and it’s employees”

Geraldine Doogue
ABC Broadcaster & Journalist

“The idea of a sharp separation between responsibility to shareholders and to the community has never made a lot of sense to me”

Michael Traill
Founder Social Ventures Australia
ex Macquarie Bank
What about shareholder dividends?

“It’s not clear to me that the company’s money does in fact belong to the shareholders...I think it is arguable that it is not the shareholders money that is being spent anyway... That means that the money a company has is its money... The obligation (of the directors) is to act in the interests of the company as a whole”.

Simon Longstaff
Director, St James Ethics Centre
2. Risk mitigation

“The banks are seen by many as faceless, cold-hearted, fee generating machines”

Stuart Wilson

“I wrote the words ‘Spirit of Australia’. I wrote it at a time when I thought it was true. I now feel like going around and scraping those words off every aircraft”

Phillip Adams
3. Enlightened self interest

Corporations today have realised that there are tangible benefits from forming alliances with the not-for-profit sector, so they need partners.

In the same way that the not-for-profit sector requires assistance from the for-profit world so too the for-profit world needs assistance from the not-for-profit world.

An environment of *mutually beneficial exchange* exists and it is on that basis that any approach should be made.
Reputation building

- Gaining a licence to operate
- Building shareholder and market confidence
- Brand rebuilding, regaining market share
- Market positioning, brand awareness
Valuable internal assets
motivation & morale

“You could see the development that they had experienced when they came back. You could see it on their faces”

Westpac Manager

“It’s hard to measure but you know when it’s there. It’s how it gets it’s soul”

Dennis Tracey
Swinburne University
Competitive advantage
Recruitment & retention

PricewaterhouseCoopers

Response to Gen Y
Best and brightest
Surveyed confirmation

Retention strategies
Matched giving programs
Volunteering days off
Charitable sponsorships
Competitive advantage
Consumer attitudes

“I think many consumers are saying ‘how we make our purchasing decisions has deep regard as to whether we believe the organisations we are buying goods and services from are ethical and are contributing to the community’.”

Michael Traill
Founder Social Ventures Australia
ex Macquarie Bank
The old paradigm

“We’re doing God’s work, you’re bastards. So give us the money, go away and let us do God’s work. Well that’s the old fashioned philanthropy; just get the money, give the receipt and move on”

Dennis Tracey
Swinburne University
The new paradigm

The moral imperative for giving has given way to value creation through mutually beneficial partnerships backed by solid business cases demonstrating a return on investment.
More than just financial benefits

Corporate skills that benefit the not-for-profit sector

- Strong commercial focus
- Financial growth and stability
- Short-term results focus
- May be necessary and appropriate at times
- Negotiating ability
- Managerial expertise
- Strengthen management systems and outcomes
- Secure better outcomes for the organization

- Marketing strategies
- Facilitate growth of public awareness
- Sophisticated PR strategies
- Gain potentially valuable contacts in press / media
- Strong networks
- Tap into networks to secure increased support
- Technology infrastructure
- Share knowledge and potentially even infrastructure
Reciprocal benefits for corporations

Not-for-profit skills that benefit the corporate sector

- Strong societal focus
- Gain genuine respect and loyalty from domain
- Tireless long-term focus
- Maintain focus during adverse cycles
- Staff commitment
- Provide role models and inspiration for staff
- Ability to influence
- Knowledge and skills to achieve outcomes
- Unsophisticated PR strategies
- Marketing strategies
- Ability to operate effectively on shoe-string budgets
- Strong networks
- Access to potentially valuable contacts in government and community
- Maintenance of core values
- Understand the relationship between espoused values, enacted values and trust.
- Maintenance of reputation
- Re-evaluate accepted brand management paradigms
How to develop corporate interest

Giving is the answer to many of the challenges faced by corporations today

But what if the company hasn’t realised this?

What can I say to make them realise?
How to sell the message

- Most importantly - selling is not telling
- Stop talking and start listening
- Seek to understand the company
- Uncover needs with high gain questions
- Gain insight into challenges or problems that the company is facing
- Don’t jump in, be patient and keep listening
- Resist telling your story and listen to theirs
- Let them tell you why they need you
Building sustainable partnerships

Most people like talking about themselves more than listening to others and are more likely to believe themselves than believe you!

The key lies in asking questions not in making statements

In the Commercial world this is called Solution Selling. Uncovering needs and mutually discussing if forming a partnership with your organisation for the provision of your product or service may assist with the alleviation of that need

Companies understand this process and language and will feel more comfortable with it. It will also build your credibility
Sample questions

What are some of the main business challenges that you’re facing today?

Then ask more questions around these....

Competitive market: How do you differentiate your product / service from your competitors?

Getting good staff: May I ask what strategies you have for ensuring you recruit and retain the best staff?

Staff turnover: Do you have any specific strategies to build pride in the company and ensure maximum staff engagement?
Need payoff questions

Would you be interested in hearing of some case studies where companies were able to:

- Enhance their corporate reputation?
- Improve their branding?
- More effectively recruit and retain staff?
- Use innovative executive leadership and staff team building strategies?
- Positively influence client buying decisions?
- Position themselves to win large contracts?
Heart and mind

There are many logical financial reasons to participate in corporate social investment.

However you can still approach the decision from a compassionate perspective and it still makes sense.

There is no incompatibility between heart and mind, emotion and logic. Often the heart prompts us to make a logical decision.
References

The Philanthropic Contract: building social capital through corporate social investment

Thesis:  http://works.bepress.com/david_cooke/

Email:  david.cooke@konicaminolta.com.au

drdavidcooke

http://au.linkedin.com/in/drdavidcooke/