



Building a Reservoir of Good in the Face of Uncertainty: Key Takeaways from CCEP's 2008 Corporate Philanthropy Summit

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It is highly unlikely that corporations will ever completely avoid the watchful eyes of individuals, groups, associations or regulatory bodies. As such, corporations must juggle the known and unknown expectations of multiple stakeholders, seeking to strike the right balance between business objectives and societal needs. For two days in early June, over 200 participants grappled with this tension at the 2008 Corporate Philanthropy Summit hosted by the Committee Encouraging Corporate Philanthropy.

The theme, Business's Contract with Society, set the stage for CEOs, senior foundation and corporate giving officers, thought leaders and government representatives to share best practices and discuss solutions for defining corporations' roles, responsibilities, and approaches to leading and shepherding high-quality philanthropy programs.

Based on research conducted with McKinsey & Co., CCEP reports in *Business's Social Contract: Capturing the Corporate Philanthropy Opportunity* that in comparison to five years ago, today 84 percent of respondents believe society now expects businesses to take a much more active role in environmental, social, and political issues. Former President William Clinton underscored this notion in his speech, repeating the need for businesses to respond to what was described as "ready-made opportunities for corporate America." To address issues as disparate as reducing greenhouse gas emissions and finding a sustainable solution for recycling car batteries, to the world food crisis and the prevalence of childhood onset diabetes, companies can tap the abundance of their expertise, intellectual know-how, talent pool and financial success to combat some of the world's greatest challenges. How then can corporations stay focused on business objectives, take advantage of opportunities in new markets, satisfy the altruism of top talent, remain transparent and properly leverage their CEOs to support and cultivate a culture of giving? Truly, getting all the pieces to this question interlocked and operating effectively is what separates the novice from the connoisseur when it comes to corporate social engagement.

At the end of the two days, Summit guests were armed with a number of key takeaways to use as points of reflection. The bullets below are important reminders to help reinvigorate those who attended and give other professionals a starting place to consider something new.

Large, multi-year signature programs take time, innovation, and multiple investments to deliver impact. Signature programs executed by the Bristol-Myers Squibb Foundation, Goldman Sachs, and Exxon Mobil represent a combined investment of resources upwards of \$375 million. Coined as "big bets," these programs were showcased as models for how companies can harness an entire inventory of assets to address significant global issues. Some of the critical elements of success include alignment with business

interest, collaboration and partnerships, capacity building for local partners, measurement of the intended outcomes, and volunteer opportunities for employees throughout the organization.

Goldman Sachs recently announced the launch of a \$100 million, five-year investment in a new initiative called 10,000 Women. The initiative is dedicated to increasing the number of women who receive secondary business and management education and expanding the pool of entrepreneurial talent in developing and emerging economies. In partnership with esteemed academic institutions such as the Wharton School at the University of Pennsylvania, Harvard, Brown and Stanford, Goldman Sachs will underwrite training for women in business acumen such as business plan development, accounting, public speaking, and how to access capital. In addition, Goldman Sachs has facilitated collaborations between U.S. and European business schools and universities to collaborate on curriculum development, staff training, and the creation of local case studies. Employees will volunteer to serve as classroom instructors and mentors, multiplying Goldman Sachs' contribution to this initiative.

Don't be afraid to ask questions; you don't have all the answers. The careful development and execution of a corporate social engagement program requires thoughtfulness, authenticity and access to on-the-ground knowledge of local needs and obstacles. In the past, companies often created programs gleaned primarily from business interests. The approach to program design and development is shifting to incorporate a more diverse set of voices including community leaders, local practitioners and field experts. These individuals are well informed and can help to guide corporate giving officers in the strategies and methods that will be most beneficial to the target geography or communities. This is not to say that CEO or corporate board members' ideas are overlooked, but they are better balanced against employee interests and community need. It is important to understand how to weigh business and social concern with respect to the charitable cause of interest to the company. Engaging multiple voices in the planning process is one way to remain open and informed about community needs.

Employee volunteerism can play a critical role in extending the reach and impact of a corporation's social engagement programs. The nonprofit community faces a number of key challenges, including greater accountability and scrutiny for resource utility, expectations for measurement and outcomes, changing demographics and a gap in executive leadership as baby boomers leave the third sector for retirement. Further complexity is added when Millennials are researching companies beforehand to contemplate employment based on a business's community involvement platform among other considerations. The Cone Millennial Cause Study reported that 79% of respondents want to work for a company that cares about how it impacts and contributes to society. Retirees are also seen as a resource to deepen a company's commitment to a cause. Retirees possess years of experience and expertise that most nonprofits would be unable to competitively secure with their limited resources. [Skills-based volunteerism](#) is gradually gaining traction among volunteer program managers and will likely become the norm instead of the exception in the future.

The 2008 Deloitte Volunteer Impact Survey found that 90 percent of respondents strongly or somewhat agree that contributing expertise to a nonprofit, in a volunteer capacity, can be an effective way to develop business skills. This finding correlates well with the call to action issued by the President's Council on Service & Civic Participation. The Pro Bono Challenge is calling on the corporate community to donate an estimated \$1 billion in skilled volunteering and pro bono services to the nonprofit community over the next three years - in essence, encouraging companies to look at the opportunity of pro bono service similar to the approach taken by the legal community. While placement on nonprofit boards remains a valuable option, employees from professional services firms and non-professional services companies alike can also lend their skills to specifically address nonprofits' needs in areas such as financial management, information systems, marketing, and human resources.

Target's community relations team has adopted a pro bono service program, adding an additional layer of giving to the corporation's commitment to donate 5 percent of income to support education, the arts, and social services. Target team members can be found transforming school libraries, applying forensic technology in the support of criminal investigations and renovating outdated facilities using the expertise of a cross-functional team experienced in property development, commercial interiors and technology. This is just one example of many companies leading the way in skills-based volunteerism. Employees are an incredible source with endless potential for engagement from new hires to retirees.

Partnerships and collaborations are important for maximizing philanthropic initiatives and achieving greater impact. In isolation, corporations may find it challenging to effectively move the needle on major social concerns such as education or the environment based solely on their individual efforts. Replication and sustainability have a greater chance of success with the pooled resources of multiple corporations working to address a particular problem. In addition, public-private partnerships open the door for more coordinated efforts on the ground where companies can be instrumental in offering their expertise in areas such as communications, logistics, distribution, management, and technology. More than 200 corporate members of the Global Business Coalition (GBC) are partnering to find solutions for the treatment and eradication of the global pandemics associated with HIV/AIDS, malaria, and tuberculosis. GBC provides a venue for companies to work closely with governments, NGOs, and local organizations to create action plans that will go beyond treatment to establish a framework for increasing public education, prevention programs and testing globally.

Determine the true value of your corporate giving or foundation program. A menu of endless charitable causes allows businesses the opportunity to use multiple assets to support philanthropic programs. But as companies expand their geographic presence and become increasingly multi-national, it is important to know the "true" value of their philanthropic efforts. Accounting for multi-dimensional programs which may include cash contributions, in-kind donations, and pro bono services can make it complicated to systematically and uniformly collect data. Understanding the

full picture of corporate giving can be further complicated by decentralized operations, if they aren't connected to a centralized system for tracking and monitoring activity.

An accurate accounting of a company's investments across all dimensions of a corporate social engagement program would yield multiple benefits including transparency and a comprehensive reporting on corporate giving trends and activities. In particular, input measurement allows companies to compare industry-wide, year-over-year data, offering a more complete picture of corporate philanthropy's impact by industry, cause, size of company and other important filters. Accountability for corporate philanthropy programs is extremely important and good data helps to keep both internal and external stakeholders informed. CECF's Corporate Giving Standard (CGS) survey is a tool that helps to assess and disseminate information of this nature, making it simpler to evaluate giving trends strategies and share key findings. CECF revealed during the Summit the latest trends in corporate giving which showed that despite a weakening economy, companies continued to increase their giving in 2007. CECF's research found that giving by large, multi-national corporations increased by 5.6%, from a median of \$24.67 million in 2006 to a median of \$26.05 million in 2007.

A company's CEO is pivotal to the success of its philanthropy program. CEOs are busy; there is no doubt about that in today's global economy. However, support from the corporation's highest-ranking officer helps to create an environment that advocates for the company's charitable cause and activates participation throughout the ranks. Staff leading philanthropy programs can then more effortlessly disseminate information, recruit volunteers and solicit assistance from other departments, as necessary. In exchange, CEOs can demand that this area of the company operate similarly to other divisions -- with business acumen, accountability, and measures of effectiveness tied to business benefits.

[Douglas R. Conant](#), President and CEO of Campbell Soup Company, shared that his company's philanthropic program is built on the "power of the AND, versus the tyranny of the OR." Campbell's has been tremendously successful by leveraging "great intentionality and discipline to nourish people's lives every where, every day." Cash grants, cause marketing, volunteerism, product development and equipment donations weave together the company's four primary giving areas: community revitalization, hunger relief, wellness, and education. Conant explained that he is right in the middle of the design and execution of the programs to ensure that "strategy is in harmony with corporate values and our commitment to CSR influences philanthropy." This approach has led Campbell's to great accomplishments with its initiatives including sponsorship of the National Association of Letter Carriers' Stamp Out Hunger! food drive. It is the largest single-day effort to combat hunger in the United States, when approximately 10,000 communities are activated to collect food. In addition, since 1973, Campbell's Labels for Education program has donated more than \$110 million in education equipment to schools in exchange for proofs of purchase of Campbell's products. These highly visible tactics are complemented by internal changes such as the reduction of sodium in product offerings which support a heart healthy lifestyle and Campbell's

commitment to the Go Red Campaign for Women. Conant has set the pace for the company and declared its philanthropic position, an important role for any CEO to play.

CECP's Corporate Philanthropy Summit provided a valuable opportunity for participants to examine business's contract with society. Shelly Lazarus, Chairman & CEO of Ogilvy & Mather Worldwide, said it best as quoted in CECP's new report, Business's Social Contract: Capturing the Corporate Philanthropy Opportunity, "Have your philanthropy be an organic extension of who you are as a brand, so that it does not appear to be something that you do out of obligation, but instead something that you do to be consistent with your company's ethos."

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