



# **BUILDING MORE IMPACTFUL CORPORATE-CHARITY PARTNERSHIPS**

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# INTRODUCTION

From digital disruption to demographic changes, the evolving role of the state to Brexit—the world we live and work in is changing rapidly, and society is thinking about how to respond.

One response comes from the private sector—with a growing movement of social enterprises and B-corps, and businesses thinking about how they can contribute to the Sustainable Development Goals in both their mainstream business and their corporate social responsibility (CSR) work. At the same time, charities are increasingly looking to the private sector to increase both their resources and their impact.

NPC's research *Charities taking charge* revealed that over the next three years, 41% of charities surveyed expect to be partnering more with private sector organisations.<sup>1</sup> Partnering with private sector organisations is still a relatively small part of charities' work, but increasingly charities are seeing the opportunities to have more impact through such an approach.<sup>2</sup> As one respondent in *Charities taking charge* said '*high scale positive social change could come either from the private sector, the public sector or the charity sector, or partnerships across the three*'.<sup>3</sup>

There is therefore appetite for charities and corporates to work together more. But there are also many things that need to be improved in current partnerships. The term 'partnerships' hides a wide range of relationships and activities: from giving a day of volunteering to working together to develop products. 70% of donations from corporates were under £5,000, suggesting most relationships are small and short-term.<sup>4</sup> These types of relationships do not help charities to develop long-term projects that have sustainable impact. There is little point in having more corporate charity partnerships if they do not have impact. We need to have a transformation in these partnerships.

By this transformation we mean, instead of choosing partners that fit employees' needs or a fundraising strategy, charities and companies should think carefully about what type of partnerships can help them to make the biggest difference. Charities should be considering how private companies can help them to deliver their outcomes. Businesses should be looking at charities not just as grant-recipients, but as ways to change their businesses and to use their skills and influence to do more social good.

There are many reasons why charity-corporate partnerships are not always based on social impact. For many charity-corporate partnerships, the motivations behind them are often not about impact. The vast majority (91%) of businesses cite enhancing brand or corporate reputation and credibility as the leading motivation for engaging in partnership work with NGOs.<sup>5</sup> On the other hand, most (92%) NGOs state that resource generation is the lead motivation for these partnerships.<sup>6</sup> Neither therefore has social impact per se as their main aim—which is what it ought to be.

In addition, this mismatch in motivations between the two sides makes putting social impact front and centre more complex. Charities too often see idea generation about how to work with corporates as a function of the fundraising team, rather than the programme team (if they have separate teams) and so corporate partnerships are not designed into the programme. The corporate may come up with ideas for how they want to work that do not work for the charity's users.

## About this research

This report is the result of a literature review, two round-table events held with charities and with corporates, and interviews with charities and corporates about their partnerships—the latter of which feature as case studies throughout. We thank the 36 organisations that generously took part in this research and shared their experiences and insights (see Acknowledgements, Page 21).

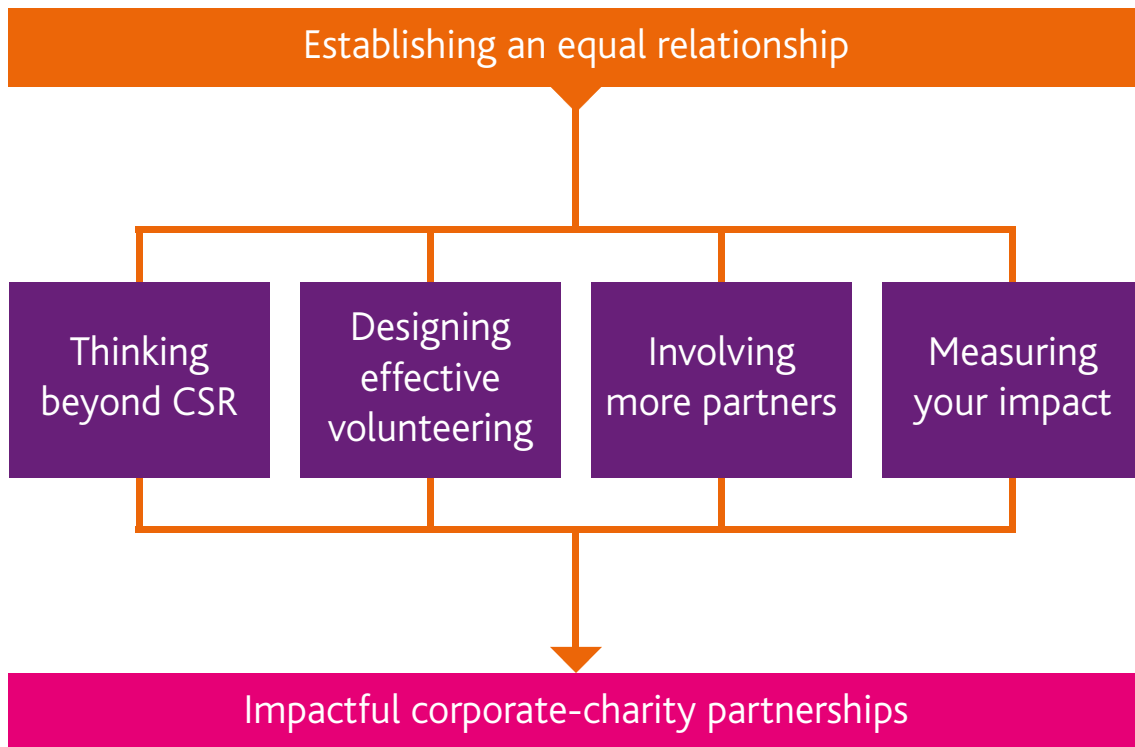
On the other hand, there are charities and corporates that are leading the way in developing a new type of partnership—one where both sides are working together to deliver real impact for people.

Our research found that more and more charities and corporates want to move away from a transactional relationship that often does not add much to one that is based on impact. For those that had managed to do this, we found that there were five common themes that had helped them to change (Figure 1).

Paramount to this is developing an **equal relationship**. Once this foundation stone is in place **other improvements** can help to strengthen and deepen your relationship and create a **more impactful partnership**.

The research found examples of good practice, many frustrations with the current practice, but most importantly a desire to improve the current state of partnerships. Both corporates and charities feel there are benefits to be had if they can rise to the challenges set out in this report.

Figure 1: Five components for building an impactful corporate-charity partnership



# ESTABLISHING AN EQUAL RELATIONSHIP



Corporates and charities are both looking to get something out of their partnerships. But sometimes it can seem like corporates hold all the cards because they are providing the funding. Developing a more equal partnership that recognises each other's strengths should allow the partnership to have more impact.

## Wish list

Good quality partnerships are put together through investment in an open and honest relationship.

- ✓ Charities are candid and clear about what they can and cannot offer.
- ✓ Corporates ensure that they understand the reality of a charity's experience, rather than relying on myths or assumptions.
- ✓ Both sides invest time in understand what the other has to offer, gaining a better understanding of how they can help each other.

## Why aren't partnerships more equal?

### Power imbalance

Partnerships between charities and corporates, particularly traditional models where the corporate is grant giver and the charity grant receiver, create a power imbalance. Corporates and charities are both looking to get something out of their partnerships. But sometimes it can seem like corporates hold all the cards. Charities can feel unable to speak up honestly when something isn't working—for fear of jeopardising the relationship and then the funding.

This power imbalance can lead to charities committing to delivering things that don't meet their needs, or that might even be detrimental. Half of charities say they have taken on volunteers they didn't need to strengthen relationships or protect their reputation with a partner—wasting time and resources which could have been better spent to achieve impact.<sup>8</sup> More open and honest conversations are clearly needed.

“Corporates need educating on how charities work. They can't give one year of funding and then ask, “how will you ensure the legacy of this grant?””

Anonymous charity interviewee

### Lack of understanding

This was a strong theme in our research. Charities repeatedly said that they need to work harder to understand corporates and what they offer. Without this understanding there cannot be a level playing field for developing partnership ideas. And for corporates, a greater understanding of charities and how they operate can avoid unhelpful approaches that can be common in the corporate sector—such as asking charities to design new, bespoke projects, while offering only short-term funding.

**“ It can be a challenge to get corporates to see us as an organisation that can address a business need for them. That type of unified relationship is not there yet. ”**

**Carwyn Gravell**

Divisional Director of Business Development, The Forward Trust

## What approaches are people taking to improving their relationships?

### Improving openness

Greater openness is needed on both sides. Charities we spoke to argued they need to be bolder in their conversations with corporates—being clear about what they offer, realistic at the pitching stage, and not overselling. But partnerships cannot be equal without trust. Corporates can set the tone by recognising any imbalance of power and ensuring the way they communicate is candid and constructive.

Motivations for pursuing a charity-corporate partnership are, as another respondent said, rarely perfectly aligned. *‘Incentives will never be 100% aligned. It can never be the perfect synergy.’* Charities may feel uncomfortable about helping a corporate improve their reputation or increase their sales figures, while for a company these may be important drivers, alongside creating social impact. Charities need to be honest about what they are willing to do for corporates. Partnerships work best when both sides are open from the outset about their reasons for getting involved. Starting with a very clear end goal—and working together to identify how that goal can best be achieved—can help keep partners on track.

**“ As charities we need to be clear with organisations about what does and does not work—and not be afraid to say no. ”**

**Anna Lovell**

Deputy Head of Corporate Partnerships Management,  
British Red Cross

### Investing time

Setting up a corporate-charity partnership requires an investment of time and careful conversations to find out whether it is the right fit. This involves charities and corporates getting to know each other well—learning about what each potential partner has to offer, and how each other likes to work.

A good example of what can happen if you work together over time is Macmillan Cancer Support’s partnership with Nationwide Building Society and npower. Both of these partnerships started as traditional Charity of the Year collaboration—where a corporate chooses a charity for which to fundraise. The relationships have since developed and strengthened over time through having open and honest conversations. But, as one respondent noted, *‘It can take a long time to tease those conversations out’.*

### Building understanding

Many corporates we spoke to said they feel the onus should be on them to explain how their companies work—helping charities to understand how the company is structured and the skills, knowledge and networks it offers. But charities also said they feel the need to step up and be clearer about the input they need from their corporate partner. This will help them access the best a company can offer, and help companies have a greater social impact.

**“ It is important for corporates to be honest about why they are involved in charity partnerships, and the tension between wanting to grow and strengthen their brand and wanting to create social impact. ”**

**Anna de Pulford**

Director, Yoti Foundation

## National Grid UK's approach to more equal partnerships

**National Grid UK** has recently updated its approach to charity partnerships. In addition to its matching giving scheme it takes a more strategic focus on skill sharing and building links with local communities.

Ruby Broomfield, Community Partnerships Advisor at National Grid, believes that its partnerships need to be more equal if they are to be successful. Recognising that it is often difficult for those outside the company to understand how it operates—and therefore what skills and assets it may have to offer its charity partners—National Grid is taking responsibility for helping charity applicants learn more about the company.

During recruitment, for instance, shortlisted charities attend a National Grid roadshow, meeting staff from across all major company sites. They get to know the business and the skills and expertise of the team. And for new charity partners, National Grid holds a welcome and induction day, focusing on getting to know each other, and working together to decide how best to manage and run the partnership. The induction day is designed and run by 'champions' recruited from within the business, including an Executive Sponsor, who must be a member of National Grid's senior team.

Ruby is keen to do more, admitting that National Grid is *'not there yet'*, but says that these initiatives are starting to make headway in making the company's partnerships more equal.

## Embracing difference

'Equal' does not mean 'the same', and the difference between charities and corporates can cause real tension if not acknowledged, dealt with and embraced. Partners should recognise the cultural differences between their organisations, and what this might mean for how they communicate. This is particularly the case for companies partnering with smaller charities, which may be short on time and resources to invest in polished proposals.

Deloitte has moved to a strategy of supporting smaller, more local partnerships at the request of its employees. The company has found this has significantly increased its corporate responsibility team's workload, since small charities are so busy delivering services there is little time to commit to the partnerships on a day to day basis. Companies can help by making sure their partnerships teams are properly resourced—that they can dedicate the time needed to assess applications and support charities both before and during the partnership.

“ Acknowledge that there may be a “language barrier” and some digging down may be needed to understand each other's point of view. Some of the best partnerships come from an application that would have originally gone in the bin. ”

### Anna Lovell

Deputy Head of Corporate Partnerships Management,  
British Red Cross

# THINKING BEYOND CORPORATE SOCIAL RESPONSIBILITY

Once charity-corporate partnerships become focused on the potential impact from both sides, this opens up conversations beyond just a community investment or corporate social responsibility (CSR) team. A broader approach to corporate-charity partnerships could help both sides identify opportunities where they can help the other increase their impact.



## Wish list

Partnerships are based on assets and skills, leading to better quality outcomes. This is done by:

- ✓ Charities are more imaginative about how they can work with corporates beyond being a grant recipient, embracing partnerships as a business opportunity.
- ✓ Corporates help the charity understand more about how their business works, helping both sides to identify opportunities.
- ✓ Both sides move relationships and conversations beyond just the CSR or fundraising teams.

## Why is a CSR-based relationship still the norm?

Our research revealed a real appetite for charities forming relationships across many departments in a corporate, not just a CSR team of a corporate—and reasons why it doesn't always happen.

Charities can find it difficult to move beyond being a grant recipient to being an organisation that offers something to corporates, and corporates are not always sure what charities can offer them. This can both be because of an ingrained attitude, or because it is just difficult to forge the right relationships across large organisations. It also requires a slightly commercial approach from a charity—thinking through what they have to offer a company and what this is worth—which not all charities have developed or want to develop.

Some charities feel that there can be reputation risk in having a strategic relationship with a corporate—it can undermine the trust that charities' users have in them.

*It can be a challenge to get them to see us as an organisation that can address a business need for them. This type of unified relationship is not there yet. »*

**Carwyn Gravell**

Divisional Director of Business Development, The Forward Trust



## Legal & General's idea to consult the charity sector as experts

**Legal & General (L&G)** provides life insurance, savings and pensions. The company recognises that charities may be better placed to answer pressing questions affecting L&G's business, such as housing, ageing or health care. Graham Precey, head of CSR at L&G, says that *'we need to work with a broad set of critical friends to do our job right to run a modern business like ours'*.

L&G contracts charities to give briefings and advice on social issues. It began working in this way almost a decade ago, when the charity **Whizz Kids** applied for help fundraising for a piece of equipment needed in Cardiff. After the funds were raised, L&G was keen to do more, and by building a relationship with the charity it established that Whizz Kids could help spot issues of access in public buildings that were not disability friendly. The company contracted Whizz Kids to assess the accessibility of the shopping centres that L&G owned in its commercial property portfolio. This led to a contract with a local authority to similarly 'mystery shop' public buildings.

At any point in time L&G has contracts with around 10 social sector consultants to help improve its insights. It has recently been contracting with Shelter to review and critique their private rental contracts to ensure fairness between landlord and tenant. L&G has also contracted with the Samaritans to analyse the 2,000 customers who have committed suicide over the past 7 years in its life insurance business to understand cause and effect.

This approach to building relationships has been time consuming and L&G has realised it must commit significant resource to make it work. But these meaningful relationships have the potential for greater impact for both organisations. Graham said *'The social sector is the fastest sector to spot unmet need in society and do something about it. Corporates are great at scaling solutions. What a great mix for modern research and development in UK companies'*.

## What are organisations doing to broaden the scope of their partnerships?

### Bringing charities' insights to corporate issues

To broaden out from a grant-giver and -receiver relationship to more of a mutual partnership, organisations need to think harder about, be open to, and discuss further what they can offer each other. The honest and open conversations discussed in the previous section are instrumental to this.

Career Ready, a charity that helps young people prepare for the world of work, is increasingly talking to corporates about helping them with their recruitment and diversity difficulties. Anne Spackman, the CEO says, *'they see that we have access to a wider group of talent.'* Career Ready now gets a mix of its funding from corporates' HR and CSR budgets. This has benefits for both the students it works with and the businesses: 20% of businesses that support Career Ready have recruited at least one student met through the programme.

The Big House, a charity that works with young people who have been in the care system, realised that many corporates were approaching it for team building days. These days were designed to help develop a business's staff. The Big House realised that one of its most valuable assets was the skills and experience of its staff and young people. It then set up a social enterprise arm that provides innovative team building days, personal skills development, and empathy workshops for corporate employees and the social care sector.

It is important that companies recognise and acknowledge the benefits they receive from working with charities. Digital identity platform Yoti organises Charity Hack Days where expert staff help charities—free of charge—to use the Yoti system to address social issues. But Anna de Pulford, Director of the Yoti Foundation, reflects that these exchanges also bring great benefits for Yoti as the staff team learn a huge amount in the process.

## Actively breaking down silos and broadening conversations

Businesses are also increasingly dropping CSR as a siloed activity. Tom Dunn, Pro Bono Director of Clifford Chance says: *'We have an explicit commitment to acting in a responsible and ethical way in everything we do—and so we are thinking less and less about something called CSR that is hived off from the rest of the business and are identifying pro bono work more and more as a key constituent part of what we are about.'* This means that businesses should be considering how they can work with charities across their business—how charities can help them work with different groups of people, develop products and services.

One approach charities can take is to broaden out who they are talking to in an organisation so it is not just the CSR team. This approach also requires honesty about the benefits that charities can bring to the business.

“Corporates should recognise and acknowledge the benefits they are receiving from partnerships, whether recruitment, retention, or increased sales. Who is learning from who?”

**Anna de Pulford**

Director, Yoti Foundation

### Streetwise Opera providing better quality training for Macquarie Group

**Streetwise Opera** has had a ten-year relationship with **Macquarie Group**. This began when a Macquarie employee mentored the charity's founder and then chief executive Matt Peacock to help build the capacity of his growing organisation. Through his mentor, Matt was introduced to the company's philanthropy arm, the Macquarie Group Foundation and he successfully applied for a grant.

The relationship between Streetwise Opera and Macquarie has been strengthened by regular communication and seeking opportunities for staff to get involved—including through skilled volunteering, choir collaborations, and fundraising activities with Macquarie staff members. When Streetwise Opera moved into its new office, Macquarie's business services department helped design a more efficient workspace and their IT support team helped source and set up new computers.

*'Staff like to volunteer, but don't always have a lot of time. So, when we ask them to help out with a specific issue which matches their skill set, it makes that much easier for them to get involved,'* says Rachel Engel, Regional Head of the Macquarie Group Foundation. These opportunities help Macquarie's staff feel involved in the foundation's work. In a recent staff survey the majority of Macquarie

staff said that the Macquarie Group Foundation makes them feel proud to work at Macquarie.

Streetwise Opera also had something to offer in return in the form of its skills in communication and leadership development. The charity is now paid to help deliver a portion of the Macquarie HR team's leadership course for newly promoted directors. Employees take part in Streetwise Opera workshops and then, in a series of sessions over four months, are matched to work with Streetwise Opera participants as their mentors.

*'This not only challenges our staff to engage with people outside of their normal working lives but also to put into practice their management skills in an unusual situation and translate their classroom learning into real life scenarios,'* says Rachel. Co-Executive Director of Streetwise Opera Bridget Rennie commented: *'This programme has further strengthened our relationship with Macquarie, generates additional income for the charity, and benefits our participants who take part. It could also provide a model for engagement with other corporates in the future.'*

Rachel's advice to corporates thinking about involving charities in HR activities is that you need to have buy-in from leadership, be flexible and start small. She also believes that it wouldn't have been possible without investing the time to build trust and an effective working relationship.

# DESIGNING EFFECTIVE VOLUNTEERING

Volunteering is an important way that corporates and charities can work together. It is also a great way for staff across the organisations to get involved and engaged with the corporate-charity partnership. But corporate volunteering can offer much more than it often does to charities and businesses.



## Wish list

- ✓ Businesses facilitate better quality opportunities in order to make their employee volunteering more impactful for everyone involved.
- ✓ Charities are able to identify and realise opportunities that truly use the skills of the volunteer force.
- ✓ Both sides are more honest about what they can offer and what will work.

## Why isn't volunteering working better?

### A gap between what's needed and what's offered

Many people are searching for good quality volunteering opportunities where they feel they can make a difference to a cause they care about. Partnerships between charities and corporates are a way of bringing volunteers into the charity sector, leveraging skills from each sector and keeping corporate employees engaged and motivated. But many of the traditional models of volunteering are not helpful to charities.

Charities prefer skilled volunteering on an ongoing basis, but one-off, unskilled volunteering is far more common.<sup>9</sup> Part of the problem is what volunteers want to do in a charity. People often envisage their volunteering as a hands-on experience which takes them away from their day job. But their biggest added value is very likely to be closely linked to their profession—accountants are more valuable as accountants than as decorators. This type of work—called pro bono—is often considered less fun than volunteering, and many charities have yet to develop an offering that corporate volunteers find as attractive.

“We don't do “paint and fix” employee volunteer days anymore. They are resource-heavy and beneficiaries were complaining about what the volunteers had done. But we still get requests to facilitate them.”

Anonymous charity interviewee

### A perception that volunteering is 'free'

While many people think that having unpaid people power is always helpful, if a charity doesn't have the capacity to manage the process, volunteering can be more of a burden to manage than a help: 34% of charities say they don't have the capacity to manage more corporate volunteers.<sup>10</sup> Yet they often feel obliged to accept them.<sup>11</sup>

## What approaches are people taking to create meaningful volunteering opportunities?

### Thinking creatively

In a partnership, both sides need to understand what each other wants and can offer. Corporates need to be clear about the type of volunteering opportunities they are looking for, and charities need to be straight about what they can provide. If volunteering is important to a corporate it should be realistic about the charity's ability to absorb new volunteers—train, coordinate and support them—and consider what support it might need to offer to make it work.

Charities also need to be creative about thinking of volunteering opportunities that are rewarding for volunteers but are also useful for the charity. For example, organising 'hacks' where people can work together intensively on a project can help build teams, and also provide valuable data and insights for a charity.

### Making use of brokerage services

Another approach is to move towards more pro bono type opportunities that might work better for charities. One way to do that is to have more brokerage organisations that can facilitate this. Taproot in the US helps to create valuable volunteering opportunities (See purple box, right). In the UK, we have organisations like BeyondMe, a charity that works to match professional volunteers with charities where their skills are most needed.

When volunteers do get involved in pro bono work, it is important to make sure that they still have a connection to the charity's front-line work and preferably meet some of the charity's users. But whilst there is often a very well-intentioned expectation to 'see people' and hear their stories, this should be done sensitively and in line with the charity's mission. Dawn Howley from The Big House Means Business, working with care leavers, notes that *'the structured environment we create in the workshops puts the balance of power back into the hands of the young people because they are working with people and offering valuable learning'*.

### Learning from the USA about volunteer brokerage

Many of the firms we spoke to talked about the value of services that facilitate employee volunteering. These brokerage services—like Law Works and Cranfield Trust—help charities access pro bono legal or HR advice.

In the US, brokerage like this happens on a larger scale with the **Taproot Foundation** leading the way. Catherine Ward, National Director of Advisory Services at Taproot, explained that when the organisation was founded, 'corporate volunteering' wasn't always well-received in the charity world. Many charities saw volunteering as a way of keeping corporate funders engaged—through large-scale, short-term interventions such as hands-on volunteering—but not as a means of accessing high-quality, specialised talent. And from the company side, there was a perception that pro bono was 'just for lawyers and accountants'. Professionals from other fields (strategy, marketing, HR) did not recognise it as an area where they could add value.

In its work advising companies on how best to engage their talent in social impact work, Taproot's approach is to make the charity the main client rather than the corporation. To do that, Taproot identifies how a company's talent can best add value and develops customized pro bono programs that serve the unique needs of the charities engaged.

## Rethinking incentives

Corporates should also think carefully how they incentivise their staff to volunteer. Recognising skills developed in the appraisal process or giving staff volunteering days is one way to do this. Yoti has a policy of five volunteering days per year and includes voluntary work as part of the company's appraisal and reward system. Evidence suggests that paid volunteering leave increases volunteering: 82% of employees with paid volunteering leave use it, but without it only 53% volunteer.<sup>12</sup> Volunteering leave is an important tool in developing an employee volunteering culture.

“ Companies need to do more to educate their staff and create meaningful opportunities for adding value. ”

Anonymous charity interviewee

### Harnessing the passion of employees: Deloitte and Depaul UK

Despite its £11m income and national reach, the youth homelessness charity, **Depaul UK** is considered 'small' relative to charities that have national corporate partners. **Deloitte** is Depaul's second largest corporate partner to date, and both are currently working together to build a mutually beneficial and impactful partnership.

Volunteering can be hugely valuable, both to charities and their corporate partners. However, both organisations noted that skills-based volunteering is not easy to arrange. Small charities rarely have a team dedicated to volunteer or pro bono coordination, whilst corporates can underestimate the resource needed to coordinate such opportunities. Deloitte has found that its employees, whilst still keen to fundraise, are increasingly interested in volunteering and getting directly involved with the firm's charity partners. This new demand can be difficult for charities like Depaul to absorb, so it's important to balance the value volunteers bring with the work it can take to properly support them.

Fundraising events can help develop a real understanding of a charity or the issues their beneficiaries face. The Depaul UK Sleepout event was something that inspired Deloitte staff to get involved, giving them a true insight

to the challenges those living on the streets can face. Events like these help to develop a strong connection between a charity and their supporters, and are often the start to a long lasting relationship.

Pro bono forms part of Deloitte's package of support to their charity partners. Together, Deloitte and Depaul UK have worked on a project to aggregate open source and the charity's homelessness data, to create a heat map of provision for people experiencing homelessness. This has helped the charity identify areas most in need of a Depaul UK Nightstop service. Deloitte deliver projects like this for their clients every day, but the work has made a huge difference to the charity. The project armed Depaul UK with the evidence needed to attract funding to set up its Manchester Nightstop, and has leveraged additional support from Deloitte to research what makes a good Nightstop service.

The relationship between Deloitte and Depaul UK is strong: Depaul's Annie Hall, Corporate Partnerships manager says, *'As a small charity it can feel like you are jumping through hoops to satisfy corporates. Deloitte hasn't put those expectations on us, which has been refreshing. I look forward to our relationship going from strength to strength as we work together over the coming years.'*

# INVOLVING MORE PARTNERS

With many corporates and many charities working on similar issues, pooling resources makes sense, and getting multiple partners involved increases the assets upon which partnerships can draw. But partnerships are often just that—two organisations. We rarely see groups of charities and corporates coming together. Approaches that involve multiple corporates and multiple charities working together to tackle an issue have the potential to create greater impact.



## Wish list

Charities and businesses seriously consider going beyond just two-way partnerships to collaborations involving several organisations that provide a platform to create more impact:

- ✓ Corporates use the power of their funding to bring together groups of organisations.
- ✓ Collaborations harness the power of digital to really help the sector move forward collectively.

## Why aren't there more collaborative approaches?

### Concerns around workload and brand

Put simply, setting up a collaborative partnership requires groundwork. Getting to know multiple organisations and navigating multiple—probably differing—priorities can be challenging. It demands plenty of time and careful communication. This can put people off.

What's more, when brand and reputation is a priority for one or both of the partners, a collaborative approach can be seen as diluting the effect. Corporate funders may like to have sole 'ownership' of a project to increase their visibility—particularly if one of their goals from their charitable activity is to get good media coverage. Charities may be reluctant to share too much with other charities they may view as 'competitor'. But corporates and charities we spoke to are increasingly looking to collaboration as a way to achieve impact.

“There is a tendency for corporates to pit us against one another, and say, “well that's what [another large charity] said they could do for us”. So, I think we need to be stronger at communicating with one another and standing together. ”

**Anonymous charity interviewee**

## What approaches to collaboration are people taking?

### Putting effort into constructive communication

Communication can present a major challenge in getting a collaborative partnership off the ground. The more potential partners that are involved, the more complex communication becomes. It is important to make sure that all parties understand each other properly and have a shared mission. Multi-partner collaboration also brings greater likelihood of competing priorities, but this is not a reason to avoid it. Rather than trying to ignore competing priorities, our discussions highlighted that it is better for corporates and charities to acknowledge and accept them.

### Appointing a lead organisation

To facilitate these conversations it can be helpful for one organisation—whether part of the partnership or an external body—to take the lead. For example, Cospa is an agency that aims to address social issues by creating new and exciting collaborative partnerships. One such partnership is Volunteer It Yourself (VIY), launched by Cospa in 2011 and now a registered Community Interest Company. VIY draws on the vocational trade skills of customers and staff at Wickes hardware stores, local and national youth work organisations and networks, and the assessment and accreditation services offered by City & Guilds. Together the partners create meaningful volunteering and skills development opportunities for unemployed young people, through refurbishing and improving local youth club and community buildings.

“ As well as achieving impact for young people, VIY delivers wider benefits for local communities, youth work organisations and councils, while also helping Wickes with staff retention and satisfaction and trade customer engagement—so everyone wins. ”

**Tim Reading**

Director, Cospa and Volunteer It Yourself

### Pooling funds for more resources

Although different funders will have different priorities, there is often overlap, and pooling funds brings potential for greater reach and deeper impact. The promise of more resources over all is a great incentive for more collaboration.

The New York Community Trust offers a way for corporates to pool their funding to achieve impact on social issues in New York. These collaborative funds have helped the Trust *‘leverage the resources of many to tackle larger agendas, tougher issues or long-term challenges’* as well as allowing funders to get involved in new areas, or *‘take risks they might not assume on their own’*.<sup>13</sup> Spark!, the Hounslow Education Business Partnership, draws on the input of a range of businesses and other stakeholders in the local area—Sky, Cisco, GlaxoSmithKline, Hounslow Council, Thames Water and others—to add richness to its employability programme.

### Collaborating on digital to avoid duplication

Software and app development is one area where encouraging charities to collaborate can create economies of scale. Salesforce Foundation has long had a commitment to providing low-cost solutions to the charity sector. It worked with Homeless Link on developing a new client relationship and service management system, In-form. Homeless Link was then able to offer this platform to smaller charities in the sector who would not have been able to develop something similar. This allowed charities in the homeless sector to share information on their clients more easily leading to greater impact.

## The Money House—a collaborative approach from the Berkeley Foundation, MyBnk, J.P. Morgan and The Hyde Group

The **Money House** programme delivers financial training to 16–25 year olds leaving the care system, those in sheltered housing and young offenders, with the aim of *'arming them with the skills to live independently'*. The project was set up by **The Hyde Group** in 2012, with **the Berkeley Foundation** involved since the Big Lottery Fund funding came to an end in 2016.

The Foundation joined forces with The Hyde Group and **J.P. Morgan**, bringing in youth charity **MyBnk** as implementing partner. The Berkeley Foundation and J.P. Morgan together cover the majority of the costs, with The Hyde Group committing some additional funds and giving strategic input to the project based on their prior experience as implementers. MyBnk brings extensive experience in financial training with young people from disadvantaged backgrounds.

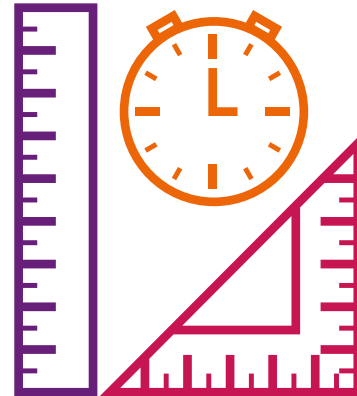
One of the most significant challenges the partnership faced was communication between so many stakeholders. As the project has evolved they have implemented structures for a smoother and more cohesive system: formal project catch-ups take place once a quarter, but the partners are regularly in touch by email or phone. Each partner now has a nominated representative who sits on the governance board for the project, alongside an independent representative to provide objectivity. And project monitoring is shared, with shared objectives, a co-designed measurement framework, and shared report forms.

The new partnership launched in January 2017. The Berkeley Foundation has set 'partnerships' as one of its ten strategic priorities and plans to explore further opportunities for collaborative funding in future.



# MEASURING YOUR IMPACT

It is important for both charity and corporate look at whether their work together has made a difference, and whether this impact can be increased. But measuring impact can be difficult and is an area that both charities and corporates would like to get better at. We believe there are real benefits for both sides from improving how impact measurement is carried out within corporate-charity partnerships.



## Wish list

- ✓ PR targets do not dictate measurement, rather measurement focuses on what can help both sides of the partnership improve their impact.
- ✓ Charities understand what value they are bringing to their corporate partners, not just vice versa.

## What is wrong with understanding impact currently?

### Marketing-focused, not learning-focused

One problem with the current measurement is that, for corporates—and sometimes charities, too—the drive to measure often comes from wanting to have positive media coverage. The marketing team will often want big numbers—which leads the measurement down an output, 'lives touched' route rather than an outcome, 'lives affected' approach. This can lead to measurement being a burden rather than a means of improving the impact of partnerships.

### Lacking proportion

Sometimes corporates do not have the experience of working with charities to know what constitutes a proportionate request. Charities talk of both unreasonable requests for information, and also large grants—even multi-million pound grants—with very little by way of reporting requirements. But there is an appetite to do impact measurement better, and not just in the UK: a survey of 118 corporate foundations in 20 countries found that 78% want to measure long-term impact but only 54% do.<sup>14</sup>

## One-sided in their focus

Charities we spoke to also said they would like to know more about the impact they have on their corporate partners, such as increasing satisfaction of the employees. Almost all of the measurement that currently goes on is focused on the outcomes for beneficiaries—ignoring completely the outcomes for corporates. Sometimes this is information that the corporate has—perhaps gathered through informal methods—but it is not always passed on.

“ One partner wanted to see bank statements of beneficiaries to see if they were better managing their money. Not only is this incredibly invasive, but bluntly, it doesn't work. We need to be bold enough to say that's not how you do it. ”

Anonymous charity interviewee

## What approaches are people taking to this?

### Keeping measurement in proportion

In measurement best practice, it is important not to let inappropriate targets drive the whole process. Often staff working in CSR teams need to push back on their marketing colleagues who may not understand some of the challenges of evaluation in the charity sector—and so may struggle to see why it is difficult to provide meaningful numbers. *'Teams within corporates are good at listening to charities, but the problem comes with the targets set, which are often heavily focused on outputs and scale.'* As with all charity funding, it is important that measurement in the charity sector is proportional to the size of the charity and the size of the grant.

“What do you want out of this?” is a question that prompts everyone to think about measurement right from the start. »

**Anna Lovell**

Deputy Head of Corporate Partnerships Management,  
British Red Cross

### Encouraging measurement on both sides

Most importantly if we are talking about moving charity-corporate relationships to real, equal partnerships, there should be measurement on both sides. Many charities are now considering asking corporates to formally measure and report the impact that the partnership has on the corporate. For many of the charities we talked to this would be really helpful in attracting new corporate partners.

Volunteer It Yourself (VIY) told us that one of the corporates it had been working closely with *'looked at the impact on staff turnover and increased sales'* without VIY asking it to. Others, like British Red Cross, have made it part of the partnership agreement that the corporate reports on outcomes for the staff, so that measurement is not just a one-way process. This agreement comes

about through conversations at the start of the project about what both parties want out of the partnership—the conversation can then naturally turn to how both parties will know if this has been achieved.

### Proportional measurement: British Red Cross

Like many charities with corporate partners, **British Red Cross** reports back on the impact of the partnership to its corporate funders. But unlike most, it also asks its partners to report any benefits they have seen for their business. They ask questions like: Has the partnership had an impact on sales, won awards or made it better recognised within the sector? Are staff proud of the partnership? Have they learnt news skills? How many hours have staff volunteered? Are staff more aware of what British Red Cross do than they were before? Then jointly, they would measure whether the partnership leveraged additional business benefits for both sides eg, through networking, introductions, added value opportunities, customer engagement, cultivation activities.

Yet this focus on impact doesn't just come in at the end. From day one of a partnership, British Red Cross cultivates a culture of making and measuring impact. It holds a workshop with the charity and the corporate as soon as the partnership has been confirmed. Here both parties discuss what success looks like, what impact or change they want to see, what they want to get out of the partnership, where they want to see it go, and who they want to influence.

By exploring their expectations in this way, the partnership is immediately framed in terms of impact and measurement. And approaching the partnership as a journey has made clear that things can change over time: the decisions made at the kick-off workshop are by no means concrete or unmoveable, and plans are reviewed regularly.

# CONCLUSION

In both the for-profit and not-for-profit world, many organisations are considering how they can increase the positive impact they have on society. The thinking here is changing rapidly as traditional boundaries between sectors become less relevant. For many companies, doing good is no longer limited to the CSR team. And for a long time now, charities have been acting more like businesses. As the world changes both sectors need to work better together.

This report has sought to illuminate a number of ways in which charity-corporate partnerships can improve: to make partnerships less about PR or having a 'warm glow' and more about making an impact. We hope that it inspires others to think about how they could improve their corporate-charity partnerships. This requires having the creativity to think of new ways of working and the courage to change and improve relationships. We think that this is badly needed if charities and corporates really are to take advantage of all that each other have to offer.

This courage and creativity, openness and honesty, could build more effective partnerships, and enable charities to take advantage of all that the private sector has to offer—from its resources, to its employees, its skills and its capacities. The private sector could then also access the different capabilities of the voluntary sector, including access to different experiences, knowledge of different groups of people, and the ability to make lasting change in our society.

To do this, we need charities and corporates to **build equal partnerships** by being clear and realistic about what they offer and investing time in getting to know each other. Key to this is **moving beyond a CSR relationship** by thinking through their assets and broadening out their relationships throughout the companies. Employee **volunteering**, which is such an important part of a partnership, needs to move towards more skilled approaches. Corporates and charities should be considering **multi-partner collaborations** as a way to have greater impact. And lastly, all of **the impact should be measured** so that both partners know whether it is having the effect they wanted.

As well as both charities and companies changing how they behave, we think there are also ways in which the government can encourage better quality relationships by incentivising businesses to think about these partnerships. This could include ideas such as the three-day volunteering leave pledge and a return to companies having to publish the amount given to charities in their accounts—and even making companies talk about the impact of this money. We believe that these will set the right tone between companies and their employees. It would also be helpful if there were more organisations that helped charities and companies to put in place impactful approaches. The UK could benefit, as an example, from a stronger emphasis on brokerage, as exists in other countries.

NPC hopes that this is the start of a transformation—focused above all on how the two sectors can work together to create impact for the causes and beneficiaries that the social sector exists to serve.

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## TRANSFORMING THE CHARITY SECTOR

NPC is a charity think tank and consultancy. Over the past 15 years we have worked with charities, funders, philanthropists and others, supporting them to deliver the greatest possible impact for the causes and beneficiaries they exist to serve.

NPC occupies a unique position at the nexus between charities and funders. We are driven by the values and mission of the charity sector, to which we bring the rigour, clarity and analysis needed to better achieve the outcomes we all seek. We also share the motivations and passion of funders, to which we bring our expertise, experience and track record of success.

**Increasing the impact of charities:** NPC exists to make charities and social enterprises more successful in achieving their missions. Through rigorous analysis, practical advice and innovative thinking, we make charities' money and energy go further, and help them to achieve the greatest impact.

**Increasing the impact of funders:** NPC's role is to make funders more successful too. We share the passion funders have for helping charities and changing people's lives. We understand their motivations and their objectives, and we know that giving is more rewarding if it achieves the greatest impact it can.

**Strengthening the partnership between charities and funders:** NPC's mission is also to bring the two sides of the funding equation together, improving understanding and enhancing their combined impact. We can help funders and those they fund to connect and transform the way they work together to achieve their vision.

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