



## **Corporate-NGO Partnerships Responses to Covid-19**

### **- Takeaways from C&E Virtual Breakfast Dialogues, 24<sup>th</sup> and 25<sup>th</sup> March 2020**

The outbreak of COVID-19 and its impact on the world we know seems impossible to overstate.

Despite weeks of anticipation and business continuity planning, the physical, financial, psychological, practical and emotional tsunami of the pandemic has threatened to overwhelm governments, international agencies, business and civil society organisations across the west, with fears for what might lie ahead for more fragile parts of the global ecosystem.

Following the initial wave, in which employees and leaders scrambled to find solutions in the very eye of the storm, C&E Advisory convened two (virtual) Breakfast Dialogues for senior professionals from diverse parts of the business and NGO sectors\*. Moderated by Manny Amadi MVO, CEO of C&E, the sessions presented an opportunity for participants to press the 'pause' button and draw breath; compare notes with peers on their respective responses; identify emerging themes; and consider likely future implications of Covid-19 for the cross-sector partnering agenda. What follows is a summary of key points and themes arising from the wide-ranging, value-adding discussions.

#### **This is a moment of truth**

In this moment of unprecedented challenge most businesses are rightly, focused on securing their supply chains, taking innovative measures to care for staff and engage customers, and where possible, reaching out to and supporting their communities. The impact of the coronavirus differs across sectors, with some businesses under existential threat and scrambling to stay alive (including instituting measures such as placing staff on furlough due to the lockdowns), whilst others are witnessing massive spikes in demand for goods and services, but having to address supply and staff welfare issues.

There have also been strikingly divergent approaches in *how* businesses are responding in this extraordinary moment. Recent years have seen much talk of a shift towards purposeful business and brands, and stakeholder capitalism. Some wondered whether this was likely to amount to mere 'woke-washing' or a more fundamental change in how business does business. Paul Polman, latterly, CEO of Unilever has offered that "*coronavirus is an acid test for stakeholder capitalism*". We are witnessing failures and successes of that test.

Under financial and operational stress arising from the impacts of Covid-19, many examples of poor corporate practices are emerging from, for example, companies that have insisted on defining themselves as providing essential services, where this is clearly not the case – thereby putting the health of their employees at risk and forcing the latter to make the invidious choice of losing their jobs, or going to work in unsafe conditions. Amongst these are some companies that previously described their business models as responsible and purpose led.

Conversely, there have been some clear examples of values-based decision making and leadership from many other companies, including for instance - Unilever [pledging to help tackle the pandemic](#), with actions including donating €100m of soap, sanitiser, bleach & food to emergency efforts; supporting their vulnerable suppliers / customers with €500m of cash flow relief; & protecting their workforce from sudden drops in pay; and Netflix launching a [\\$100m relief fund for creatives](#) whose work have been affected by the ongoing coronavirus crisis.

International agencies, NGOs and civil society organisations are, similarly, facing enormous and varied challenges. Organisations involved in providing frontline crisis help are experiencing enormous increases in demand for services – recruiting volunteers / temporary workers, for example, whilst for others, “business has all but dried up”. As stakeholder emphasis shifted to the immediacy of prevailing public health concerns, some NGOs are struggling to stay relevant in this time of crisis with, for example, environmental and sports-focused concerns seemingly being placed on the “back burner” for the time-being. There are also fears that the immediacy of the coronavirus in western economies has diluted the appetite for business and public engagement on other parts of the world where the next wave of the pandemic is likely to head – and is set to cause incalculable damage to already weak health systems in markets and communities from which many products and services are sourced.

This moment of truth is similarly forcing some NGOs to consider the impacts of their programming. Some NGOs are actively reviewing their theories of change, seeking to identify where to add the greatest value to beneficiaries, and possibly, moving onto greater specialisation in resource-constrained times.

## **Responses through Corporate-NGO partnering**

We know from experience and from studies such as the [C&E Corporate-NGO Partnerships Barometer](#) that partnerships between corporates and NGOs enable businesses to make more informed decisions on environmental and social issues, and also help to change business practices for the better. In turn, they help speed the path towards achievement of social and environmental missions – and at greater scale.

Practitioners in the Corporate-NGO partnering space have found themselves at the forefront of delivering essential services to different communities facing very different needs. The transitions that practitioners are having to make almost immediately within their own organisations and for the markets they serve – as well as to their own working lives, are unprecedented. Key developments and partnering responses to the Covid-19 pandemic include the following:

### *To stick, or twist?*

There is concern on the part of many NGOs that under stress, businesses might seek to terminate or significantly reduce existing commitments to partners. Whilst the jury is still out on the impact of the pandemic on the likelihood and volume of new partnerships, most corporates have responded positively to the continuation of existing partnerships – offering reassurance and continued support through the crisis. Driven by the needs of companies or NGOs, modes of engagement are however, having to be adapted within and across some partnerships.

Adaptations in modes of engagement include the following:

- Organisations and businesses signing off on the *re-purposing* of earmarked and pre-committed initiatives, following NGO assessment of likely impact of the pandemic on programming.

- On the corporate side, most corporates have responded positively to the continuation of partnerships – offering reassurance and continued support through the crisis. However, a few businesses facing strong financial pressures (and placing their staff on furlough due to the lockdown) are placing *greater emphasis on deploying / mobilising their product, process and people assets* in collaboration with their NGO partnerships whilst restraining their financial investments.
- Over the past decades and recent years, modes of business engagement with good causes has evolved from philanthropy, through community investment and cause-related marketing, to shared value, and more recently, pursuit of purpose-driven growth for whole businesses and brands. In this moment of disruption, *all modes of engagement appear to be on the table*.

Some charities that, pre-crisis, were inclined to emphasise shared value (strongly identifying and engaging in helping their corporate partners address their pain-points) are under an immediate, existentialist threat, with the real risk of having to lose significant chunks of their programming for vulnerable beneficiaries. These organisations are drawing on existing corporate and public sector relationships, appealing to the *philanthropic kindness* of their partners in order to keep the lights on and maintain their operations and services.

#### *Pace:*

Partnerships between organisations, across sectors, between competitors, and with health, education, central and local government and other public sector services are being established in hours and days rather than months and years.

The partnering landscape is witnessing the most rapid evolution in its ways of working in its history, with large-scale partnerships being conceived and launched in days rather than months or years. For example, Aviva and the Aviva Foundation have enhanced the organisations' [partnership with the British Red Cross](#), investing an additional £10 million to support several initiatives for vulnerable, including people coming out of hospital, ensuring they're safe, and working with hospitals to help ease the pressure. This additional partnership was conceived, senior executive support secured, and the memorandum of understanding between the organisations signed-off in a matter of days.

#### *Digital & tech innovations*

Evolutions in ways of working have rapidly accelerated the role and use of tech and digital in the execution of partnerships, with all participants emphasising the importance of digital in this moment of disruption. Many existing partnerships and initiatives are immediately transitioning or seeking to transition to digital solutions where possible.

Innovation is a key emerging theme as organisations witness creativity across ways of working and delivering services innovatively and / or digitally in challenging times.

#### *Collaboration, collective action and co-development*

Professionals across both sectors were unanimous in identifying collaboration and collective action as features being witnessed within and across their sectors – and as a theme likely to deepen and accelerate in the aftermath of the coronavirus pandemic. As the insight that no single actor or sector can, on their own, address the challenges facing us, is reinforced, many examples emerged of intra and cross-sector collaborations to mitigate risks and share opportunities.

These include charities working together to launch appeals, mobilise support and deliver services – with support from existing and new corporate partners, as well as collaboration between traditional

competitors (in the food retail and digital sectors, for instance). A notable element of this “co-competition” as some have labelled the development, relates to the need and value of partners *co-developing new solutions*, or additional ways of scaling existing solutions, drawing on respective competencies to address a common purpose.

#### *Fears...*

There are huge concerns from international NGOs about the impact of COVID-19 increasing across Africa, parts of Asia and South America given weak healthcare infrastructure / ability to cope. There are also concerns over the future of fundraising. In particular, smaller charitable trusts are expected to feel increased financial pressure – so NGOs relying on these traditional methods of raising funds may suffer.

Some NGOs report lower levels of charitable giving from members of the public / individual giving due to concerns about uncertain financial futures. And practitioners have witnessed some retrenchment in certain corporate sectors and in individual giving. But there is hope, optimism and expectation that where it exists, retrenchment will prove to be temporary.

#### *...And hopes*

Overall, however, there has been a wonderful reaction from communities in terms of kindness, volunteering, and a strong will to help others who are less fortunate. There was much optimism amongst partnership professionals across the two dialogue sessions that this can lead to greater collaboration in the future and a more caring society. And all participants spoke of there being a huge reservoir of goodwill at play – along with a hope that this can continue after the crisis.

*The single strongest emerging theme from the dialogue was undoubtedly the welcoming of the acceleration of the “(re) humanisation” of business purpose – and an earnest hope that this can continue.*

#### **The future**

- We are still in the eye of the storm that is the coronavirus pandemic. Things remain very much in flux, and there is much scrambling yet to be done. However, it is expected the lockdown and remote working will also, likely afford actors in different sectors time to reflect. In view of this, and the opportunities for rehumanising business, participants anticipated the following likely opportunities and evolutions:
- *Re-imagination*: Partners and partnerships have an opportunity to re-imagine and define the future that we all want to see. Taking advantage of the moment, and the paradoxically, greater access to senior stakeholders made possible by the crisis, some collaborations are already re-thinking their partnerships - undertaking considered mid-term reviews to identify how to reframe and drive greater value and impact from existing strategic partnerships
- *Collective impact and collaboration*: Now is the time to properly think through how to transition from concept to activation. How do we remove the barriers to truly effective intra and cross-sector collaboration?
- *Global connectivity*: The coronavirus has shown that we are all interconnected, wherever we are in the world. “*The pandemic doesn’t discriminate, but its impact will be unequal – and the poor and marginalised will be far more impacted*”. How do we ensure we help communities in need and in doing so, build more robust and safer supply chains and grow sustainable markets?
- *Digital and tech*: And in relation to all the above, how do we fully harness the potential of digital and other tech and draw on cross-sector partnerships to unleash value for society?

## **\*Participants**

Participants in the virtual Breakfast Dialogues on 24<sup>th</sup> and 25<sup>th</sup> March included senior professionals from the following organisations: Aviva, Boots, British Red Cross, Credit Suisse, Experian, Family for Every Child, GE, Hubbub, Kingfisher Plc, Prince's Trust, Red Badger, Save the Children, Tesco, UNICEF, Warner Bros, World Food Programme, WWF UK, Youth Sport Trust International.

## **About the Breakfast Dialogue Series**

C&E's Breakfast Dialogue series are free, by invitation, informal discussions held over a light breakfast and involving a dozen or so senior participants from corporate, NGO and public-sector backgrounds. They are highly interactive, informed discussions in which participants share their perspectives, experiences and insights – under Chatham House Rules.