



Corporate-NGO Partnerships Barometer

2010

Cross-sector partnerships are important to businesses and NGOs. They will become more important – and are set to command greater investment over the next 3 years.

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Introduction

Those of us working in the “business & society” arena – as practitioners or advisers - have witnessed many changes in the concept and practice of cross-sector partnering over recent years. Often these changes are viewed through the lens of particular organisations and partnerships, but what are the collective views of practitioners on both the corporate and NGO sides of the agenda?



Manny Amadi, MVO
CEO, C&E Advisory

Much has been written about public-private partnerships, but the increasingly important practice of corporate-NGO partnerships appeared to us to be less well researched. Extensive desk research confirmed our hypothesis that there was little or no definitive piece of research about the nature and state of collaborations and partnerships between companies and NGOs in the UK. We therefore set out to create the C&E Barometer of corporate-NGO Partnerships.

Classically, a barometer gauges current and recent changes in pressure, but it also offers the opportunity to forecast the future. We have sifted the experiences, views and comments of practitioners on the Corporate and NGO sides to produce a reading of recent and current changes in the partnerships landscape. Additionally, we have used practitioners' sentiments and expectations to assess the trends for the future of corporate-NGO partnerships over the next 3 years.

This first edition has generated some important, intriguing and sometimes surprising information about the importance, nature, challenges, enablers and prospects for corporate-NGO partnerships. The findings are particularly important considering the prevailing context within which businesses and NGOs are operating - the pressures being faced by the UK and other public sector funds, the related shrinking of state provision, the need for business innovation and calls for improvements in NGO efficiency.

We are grateful to all the respondents and interviewees for sharing their perspectives and experiences. We hope this first Barometer helps to inform their and your understanding, investments, practice and reviews of corporate-NGO partnerships. We welcome comments and suggestions for the next edition.

Part 1: Methodology and sample

Methodology

The C&E Corporate-NGO Partnerships Barometer is based mainly on a confidential on-line survey of 114 companies and NGOs engaged in cross-sector partnerships. The questionnaire included appropriate opportunities for respondents to augment their answers with their own opinions. Responses in these sections were enlightening, and reaffirmed the credibility of what was already a well balanced cross-sector sample.

The survey was then supplemented by a series of confidential one to one depth interviews undertaken with eight organisations (four companies and 4 NGOs). These interviews represented an opportunity to explore more deeply, some of the surprising insights revealed by the survey.

Additionally, as a final step in our process, we invited four leading practitioners (two each from the corporate and NGO sectors) to comment on the draft Barometer.

Fieldwork for the survey and interviews took place across June and July 2010.

The Sample

Practitioners from 114 organisations completed the on-line survey. Of these, corporate sector respondents were from leading companies (drawn mainly from the FTSE 100, Interbrand's Best Global Brands ranking and Business in The Community's Corporate Responsibility Index). Similarly, NGO respondents were drawn mainly from the leading UK charities - by brand and revenue). [See appendix 1 for list of participating organisations].

Of the 114 partnership professionals who completed our online questionnaire, there was a balanced split with just over half (52%) respondents identifying themselves as working with an NGO, and the remainder working in the corporate sector (including 2.7% of respondents working for corporate foundations).

The respondents held variety of roles within their organisations.

Figure 1: Sector representation

“Are you completing this survey on behalf of a “not for profit” organisation (NGO) or a corporate?” *Base size: 114*

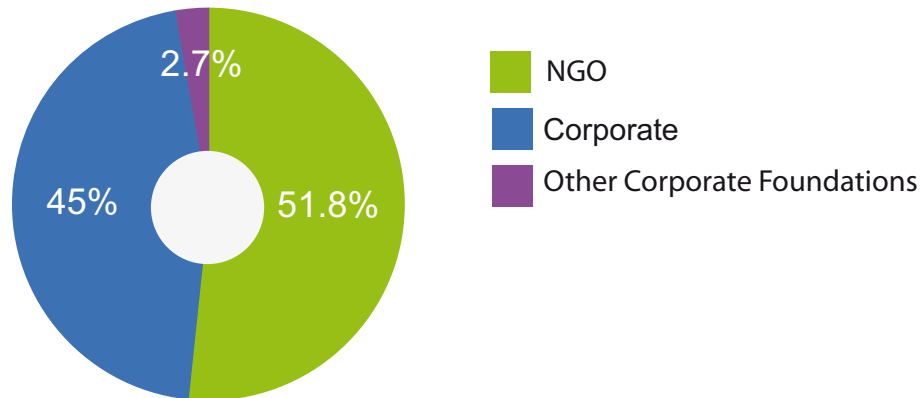


Figure 2: Roles

“What is your role?”- *Base size: 94*



Part 2: Why Partner?

It can be challenging enough working within single organisations and within a particular market or organisational sector, so what is it that drives companies and NGOs to partner with each other? Are there similarities or differences in their drivers and motivations for partnering across sectors? Are partnerships important to businesses and NGOs? If so why?

Cross-sector partnerships are important to NGOs...

Partnerships with businesses are important to the overwhelming majority of NGOs who responded to the survey. Particularly important to NGOs is their engagement in partnerships with companies in order to generate resources (over 87% of NGO practitioners identify resource mobilisation as “very important” or “important” to their organisation).

To a lesser extent, NGOs also identify the delivery of their organisational mission as being of importance to their organisation (with 63% rating mission delivery as “very important” or “important”).

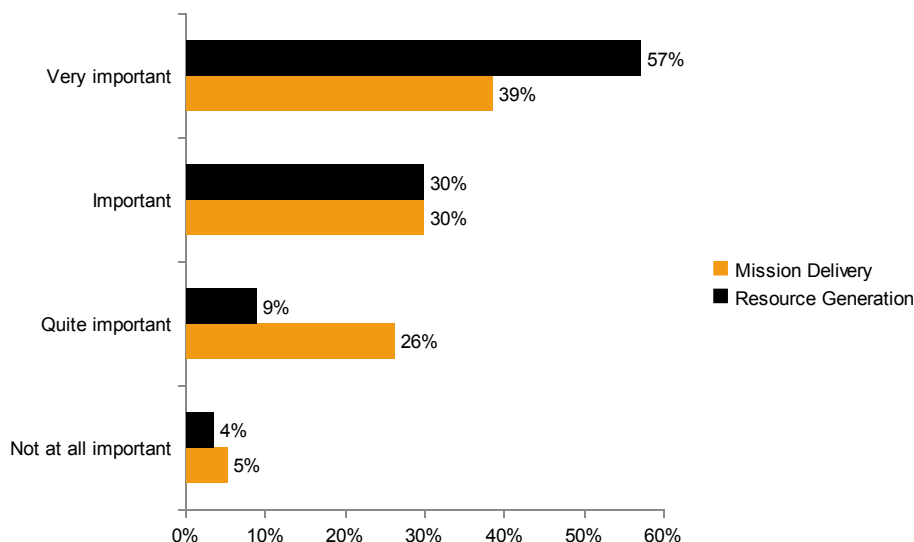
It is notable that NGOs and charities prioritise resource generation over mission

delivery in terms of their purpose in partnering with companies. This finding may have been reinforced by recent experience, including the recent recession and greater pressure on resources currently manifesting itself in the UK coalition government’s policies. It may also be influenced by the fact that a significant number of NGO respondents represent the fundraising function. However, all respondents were strongly encouraged to give their input on behalf of their organisation as a whole, meaning that we can take their responses as representative of their organisational view.

Whatever the reason for NGOs’ prioritisation of resource generation over mission fulfillment, the order of priority is potentially at odds with signals from businesses. Companies increasingly state a desire to engage in mission-focused partnerships in which they draw on their competencies and deploy their assets to achieve measurable (social, environmental and business) impact for their businesses and partners.

Making the right call between resource generation versus more effective use of resources remains a topical and important challenge for NGOs.

Figure 3: Importance of partnering (NGOs only)



“To what extent would you say partnerships with corporates are important to your organisation first in delivering your mission and, second, in resource generation?”
Base size: 57

Cross-sector partnerships are important to businesses

Equally, partnerships with NGOs are important to the overwhelming majority of businesses responding to the survey. Unsurprisingly, partnering with NGOs in order to meet the CSR agenda is particularly important to businesses (96% of business practitioners identify meeting the CSR agenda as “very important” or “important” to their organisation).

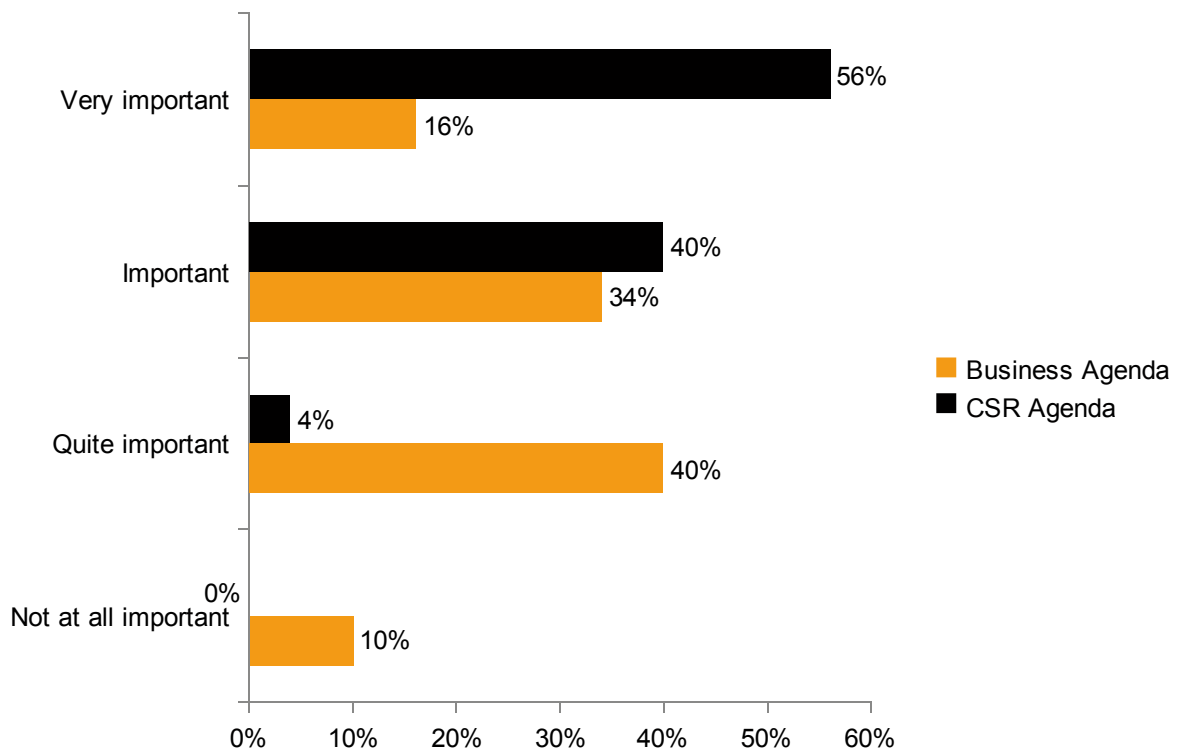
To a lesser, but striking extent, companies also highlight partnerships with NGOs as being of importance with regard to meeting their business agenda (50% of business respondents rate partnering with NGOs as “very important” or “important” to their business agenda).

The clear corporate view that partnerships with NGOs is important to their business agendas may well be a reflection of the increasing pressure on businesses and brands to secure consumer and stakeholder trust. The exchange of values (in terms of brands, competencies, etc) which often arises from the process of cross-sector partnering, resonates with this view. This perhaps explains why a significant number of businesses now view partnerships with NGOs as being important to their business agenda.

Figure 4: Importance of partnering (Question to companies only)

“To what extent would you say partnerships with NGOs are important to your organisation first in your overall Business agenda, and, second, for your corporate social responsibility (CSR) agenda?”

Base size: 50



There are many reasons to partner. Motivations differ and align across the sectors

If resource generation / mission delivery and CSR agenda / business agenda are at the core of cross-sector partnering for NGOs and businesses respectively, what else is in the motivation toolbox? Why else do businesses and NGOs partner? Are the motivations similar or different?

There are many and varied reasons why businesses and NGOs partner with each other - and many of the motivations for corporate-NGO partnering are similar across sectors.

However, there are some significant contrasts regarding why businesses and NGOs work together in partnerships. Possibly the most notable of these in the entire survey was that 95% of NGOs see access to funding as the most important reason for partnering with companies,

followed by the access to people and contacts which arise from partnerships.

In contrast, 94% of company respondents see achieving organisational reputation as the most important reason for partnering with NGOs. This is followed by innovation (finding new ways to address challenges), access to knowledge, as well as the development of professional skills and competencies in their own workforce as important motivations for cross-sector partnering.

That said, despite these two contrasting areas, there is generally more agreement than non agreement, with both sectors “pulling together” with a number of very similar reasons to engage including; to improve effectiveness, innovation and long-term stability and impact.

Figure 5: Why partner?

“Why does your organisation engage in corporate-NGO partnerships? TICK ALL THAT APPLY” Base size: 107



“While there are inevitable self-interests, partnerships should be more important to the issues than the parties. Global threats including climate change, the water crisis, natural resource depletion, and social injustice need solving for the benefit of society, the private sector and the economy and it is these kinds of issues that partnerships should be tackling....

...CR and Fundraising Directors will be attracted by short-term reputation and funding wins, but sustainability advocates will be persuaded by partnerships that help to address global threats and support long-term societal and business future-proofing.”



Dax Lovegrove
*Head of Business
Relations and Corporate
Sustainability,
WWF-UK*

Part 3: How do businesses and NGOs partner?

Having examined the motivations for business-NGO partnering, we wanted to assess how such partnerships are conducted. What forms do partnerships take? Are they mostly strategic in nature, or largely tactical? To what extent are partnerships considered to be effective – and to what extent do perceptions and experiences vary across the corporate and NGO sectors?

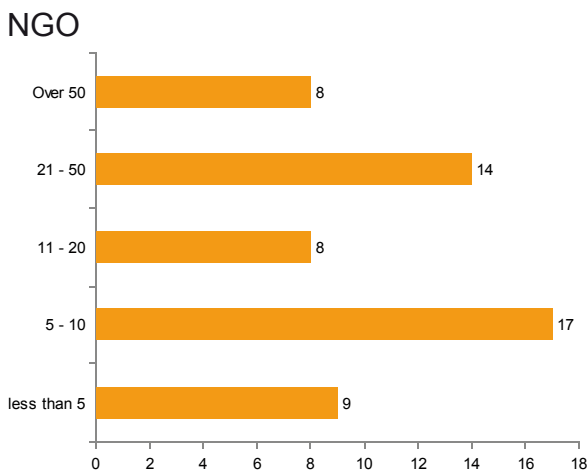
Most organisations are engaged in quite significant numbers of partnerships

We wanted to know how many partnerships cross-sector organisations are involved in at the same time.

Though NGOs have slightly fewer partnerships than companies, the numbers were not dramatically different between the two sectors. However, we were struck by the number of partnerships currently being undertaken at any one time, with 59% of the cross-sector respondents confirming they are currently engaged in between 11 and 50 or more partnerships.

Figure 7: Number of Partnerships (NGOs)

“Roughly how many partnerships is your organisation involved in?”



With almost a fifth of organisations currently reporting involvement in 50 or more partnerships it would be interesting to determine how volume affects effectiveness and relationship management. It would also be interesting to establish whether there is an optimum number of partnerships for maximising partnering success. This may be subject to investigate in future C&E Barometer surveys.

Figure 6: Number of partnerships (All)

“Roughly how many partnerships is your organisation involved in?” Corporate and NGO respondents *Base size: 107*

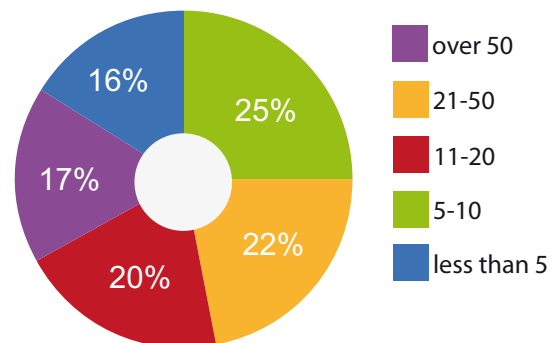
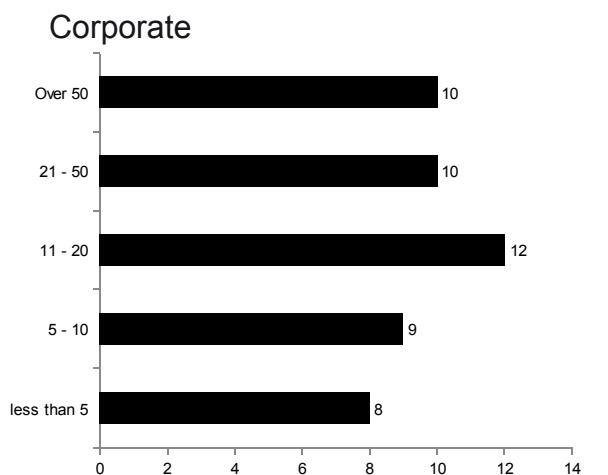


Figure 8: Number of partnerships (Companies)

“Roughly how many partnerships is your organisation involved in?”



Most organisations implement a range of partnership types

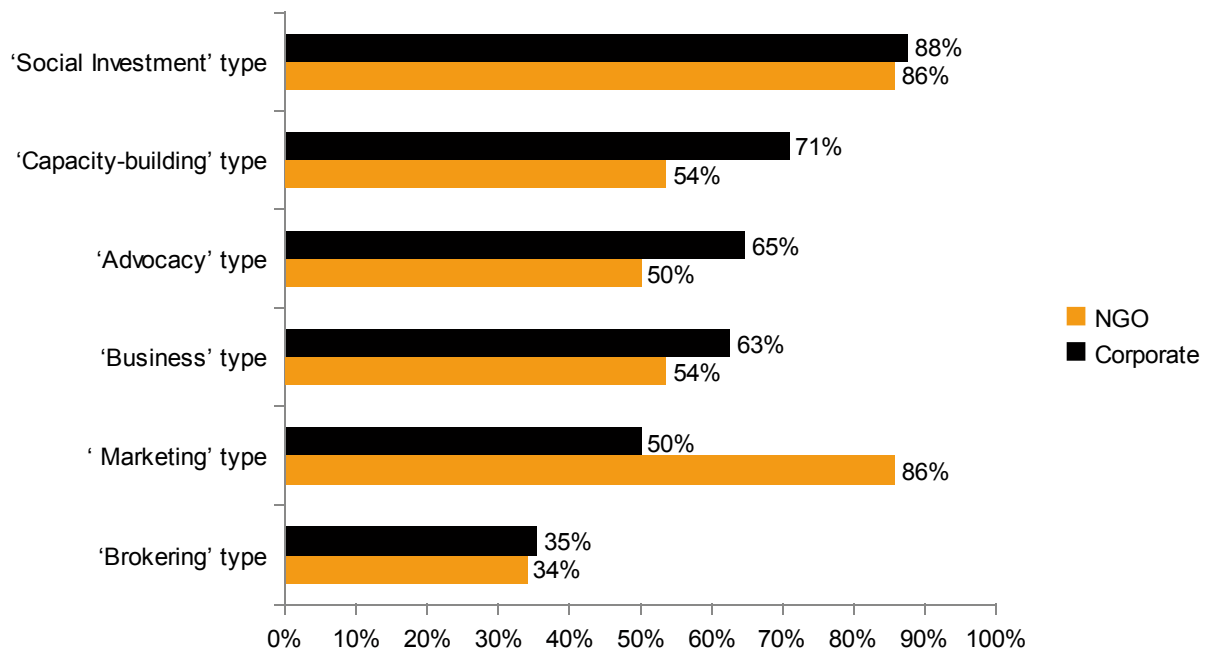
Partnerships rarely fit neatly into a single classification or type. However, it is common for a partnership to demonstrate a leading characteristic. We thought it would be important to assess the extent to which

companies and NGO partnerships align with particular typologies.

Using an adapted form of International Business Leaders Forum’s (IBLF) partnership typologies, we asked respondents to identify the different types of partnerships they currently undertake.

Figure 9: Types of partnerships

“It is common for a partnership to have a LEADING CHARACTERISTIC. The International Business Leaders Forum (IBLF) has identified 7 partnership typologies (as adapted above). As far as you are aware, which of these types of partnerships does your organisation currently undertake?” Base size:106



The survey results suggest that between the sectors, there are actually more similarities than there are differences in the range and types of partnerships undertaken. Both sectors are involved in all partnership types, often at more or less equivalent levels.

Social Investment' partnerships (offering and receiving support via cash donations, products, gifts in kind, and employee fundraising) are the most popular for both sectors, and are seen as a favourite with organisations involved in 10 partnerships or less. They are also more popularly practised by companies than other partnership types.

However, “marketing type” partnerships (such as cause-related marketing, sponsorship, product licensing, etc) are of equal popularity with NGOs as social investment partnerships. By contrast, marketing type partnerships are currently a third less popular with companies than they are with NGOs.

Our survey also finds that businesses and NGOs use a range of other partnership types, (such as business based, advocacy, capacity-building, brokering and other highly innovative collaborations). However, use of “capacity-building”, “advocacy” and “business type” partnerships are highlighted more by businesses than by NGOs.

Social Investment' partnerships (offering and receiving support via cash donations, products, gifts in kind, and employee fundraising) are the most popular for both sectors, and are seen as a favourite with organisations involved in 10 partnerships or less. They are also more popularly practised by companies than other partnership types.

The approach: Strategic or tactical?

Given the level of importance attributed to cross-sector partnering by both NGOs and businesses, we wanted to establish the extent to which practitioners consider their partnerships to be strategic or tactical.

Our findings show that corporates currently operate a more strategic approach

to partnership than their NGO peers, however, an NGO partner who wrote "There is increasing recognition by NGOs that corporate partnerships can be both strategic and lucrative", acknowledges the benefits of a departure from tactical to those of a more strategic nature.

Three-quarters of our corporate respondents confirmed that a fifth or more of their partnerships are strategic, and in fact those partnerships with the greatest strategic elements (>75%) are very much more likely to be undertaken by a corporate than an NGO.

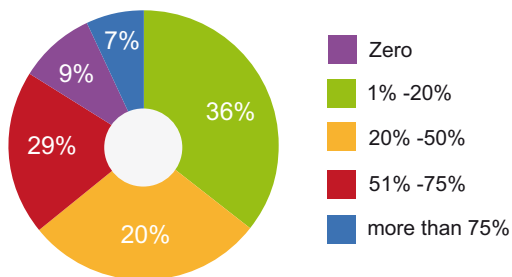
Our findings also reveal that NGOs represent the small number (just under 5%) of organisations which are seen as wholly transactional and "non-strategic".

Figure 10: Strategic and non-strategic partnerships

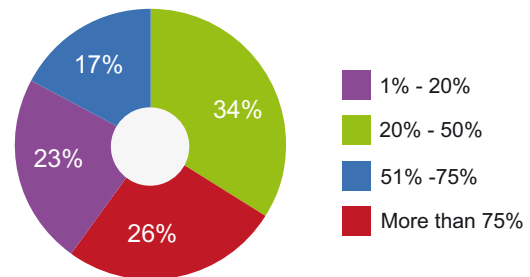
"In approximate terms, what percentage of your corporate-NGO partnerships would you describe as strategic as opposed to "non-strategic" (transactional, tactical)?"

Base size:105

NGOs



Corporates



High levels of confidence in the effectiveness of strategic partnerships

They may be important to businesses and NGOs. They may also be considered strategic rather than tactical, but are they effective? To address this point, we asked participants how confident they are that their strategic partnerships are meeting stated objectives and delivering the value expected from them.

The answers are encouraging. An overwhelming majority of respondents from both sectors (89%) were either “quite” or “very” confident that their strategic partnerships are delivering the value

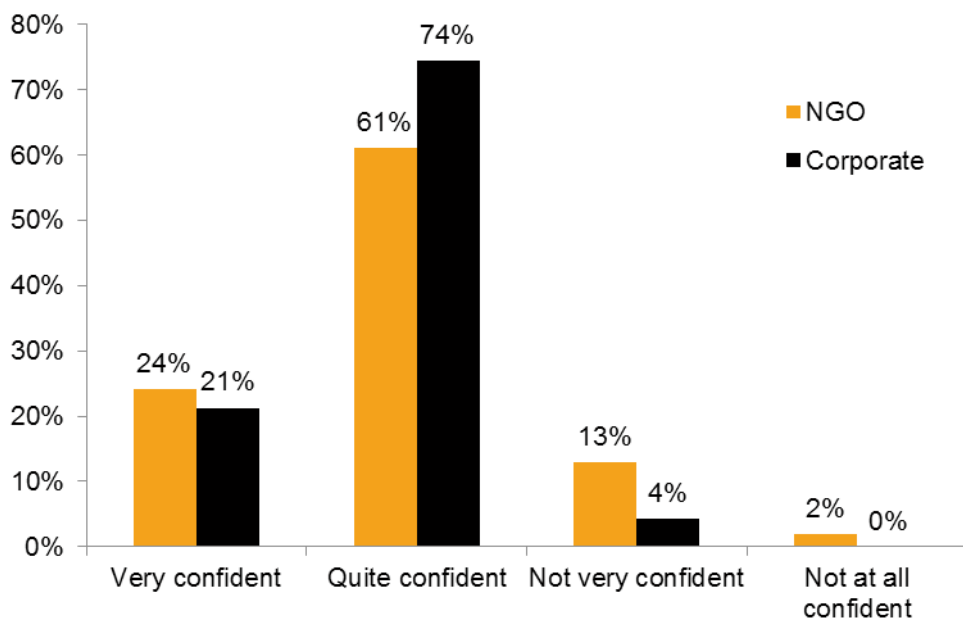
expected of them. The levels of confidence in the likely success of their partnerships were broadly similar across businesses and NGOs. However, there are more NGOs (15%) than corporates (4%) within the much smaller sample of those “not very” or “not at all” confident that their strategic partnerships are meeting their objectives.

It is striking to note that businesses and NGOs involved in a larger number of partnerships (typically between 11 and 50+) declare a greater confidence in their outcomes and successes compared to their peers involved in 10 or less partnerships (31% of those with over 11 partnerships say they are “very” confident, compared to 14% of those with 10 or fewer partnerships).

Figure 11: Levels of Confidence in partnerships

“On the whole to what extent are you confident your strategic partnerships are meeting their objectives and delivering the value expected from them?”

Base size: 103



This finding appears to be counter-intuitive to the notion that fewer, better managed partnerships might be more effective, considering that greater resources would typically be required to manage larger numbers of partnerships. On the other hand, it may simply be that “practise makes perfect” as the old adage says and that the experience required to develop and drive partnerships towards a successful outcome, increases with volume.

Part 4: The Stars – The most admired corporate-NGO partnerships and partners

So who is really getting it right in terms of corporate-NGO partnerships? Which partnerships are admired by corporate and NGO practitioners and why?

We asked practitioners to tell us which partnerships they admire and why (they had the opportunity to list up to three partnerships). Their (unprompted) answers were revealing.

Marks and Spencer's collaboration with Oxfam was the most admired corporate-charity partnership with 13 per cent of practitioners choosing it. The partnership is particularly admired as the best example of a partnership delivering on corporate mission for both the business and the charity. The partnership involves both organisations sharing knowledge and working together to drive sustainable production and consumption. The collaboration famously includes the Clothes Exchange, where anyone donating an item of M&S clothing to Oxfam receives a money-off voucher for use at M&S store.

HSBC and WWF's long-running partnership to combat climate change came in second place [8 per cent] Pampers' (Proctor & Gamble) work with UNICEF to provide maternal and infant tetanus shots in the developing world was the third most admired partnership [7 per cent].

Partnership professionals rate these as the most successful partnerships because they innovate, deliver corporate mission, generate resources, help to build brands for the partners and are based on clear mutual benefit.

Additionally, M&S tops the list of the most admired corporate partner (by a very significant margin), followed by HSBC and Tesco. These companies are to be congratulated on their successful planning and stewardship of their key, often long-term partnerships with NGOs – and there is much to learn from them.

Respondents also highlight the success of high street retailers and supermarkets in developing high profile partnerships that deliver on corporate mission and build brands. Over a third (37 per cent) of the most admired corporate-NGO partnerships were those led by retailers and supermarkets, followed by banks at 17 per cent and soft drinks manufacturers at 7 per cent.

On the NGO side, WWF tops the "most admired NGO partner" list, just ahead of Oxfam and UNICEF. It appears the scale and reach of these leading international NGOs and the clout they can bring to partnerships enables them to stand out. They must also be congratulated for driving forward with mission-led, strategic partnerships and for overcoming the challenges and barriers inherent in cross-sector partnering.

It is important to note that the list of the most admired is not completely comprised of large organisations. It should be a source of encouragement to smaller organizations that Innocent Drinks, Sightsavers and Breakthrough Breast Cancer feature on the lists.

Figure 12: The most admired partnerships

“Which other Corporate NGO partnerships do you admire?” Base size:93

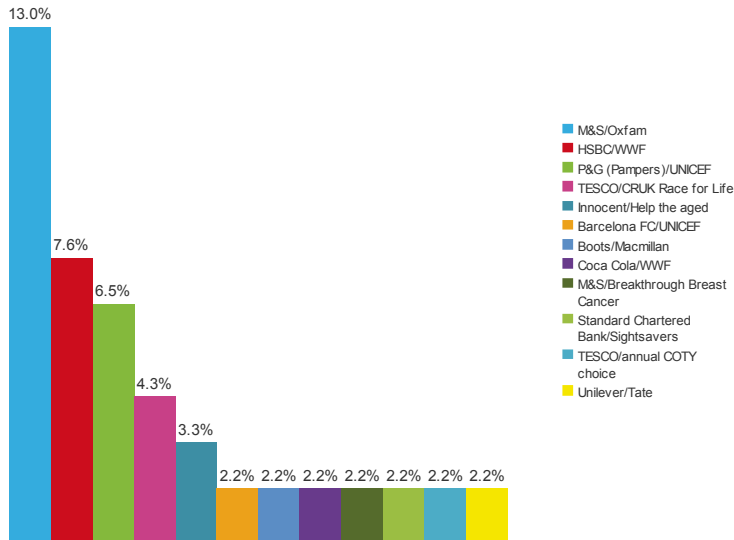


Figure 13: Most admired partnering company

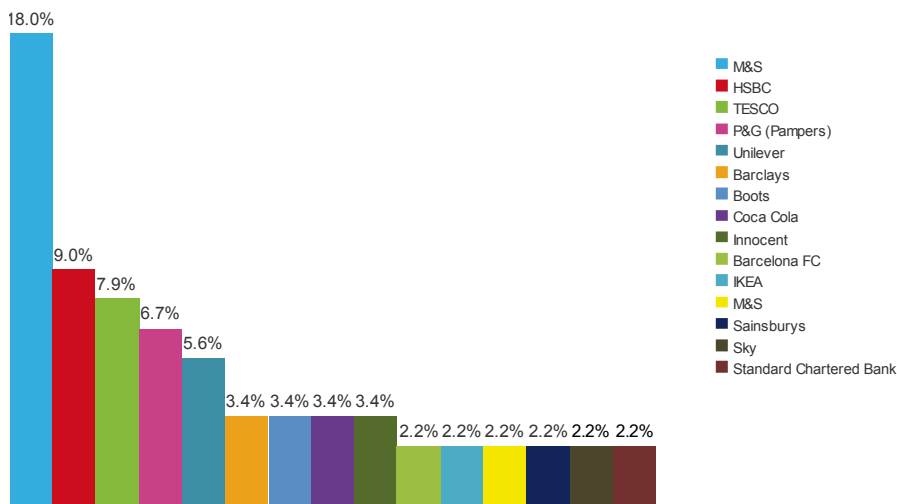
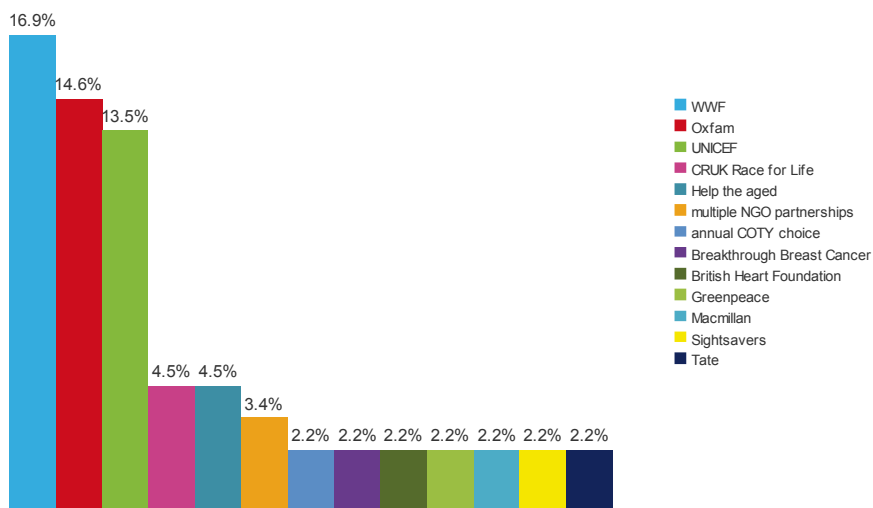


Figure 14: The most admired partnering NGOs





Words used to describe the most admired partnerships and partners – Courtesy of www.wordle.net

Part 5: The partnering experience (1) – challenges and barriers

Reality tells us that experiences around the full “partnership cycle” are rarely straightforward and smooth. Whilst the most admired partnerships listed in the previous section highlight success, things can and do go wrong. So what are the key challenges and barriers that are facing NGO-Corporate partnerships? What tensions exist within the partnering process – and why?

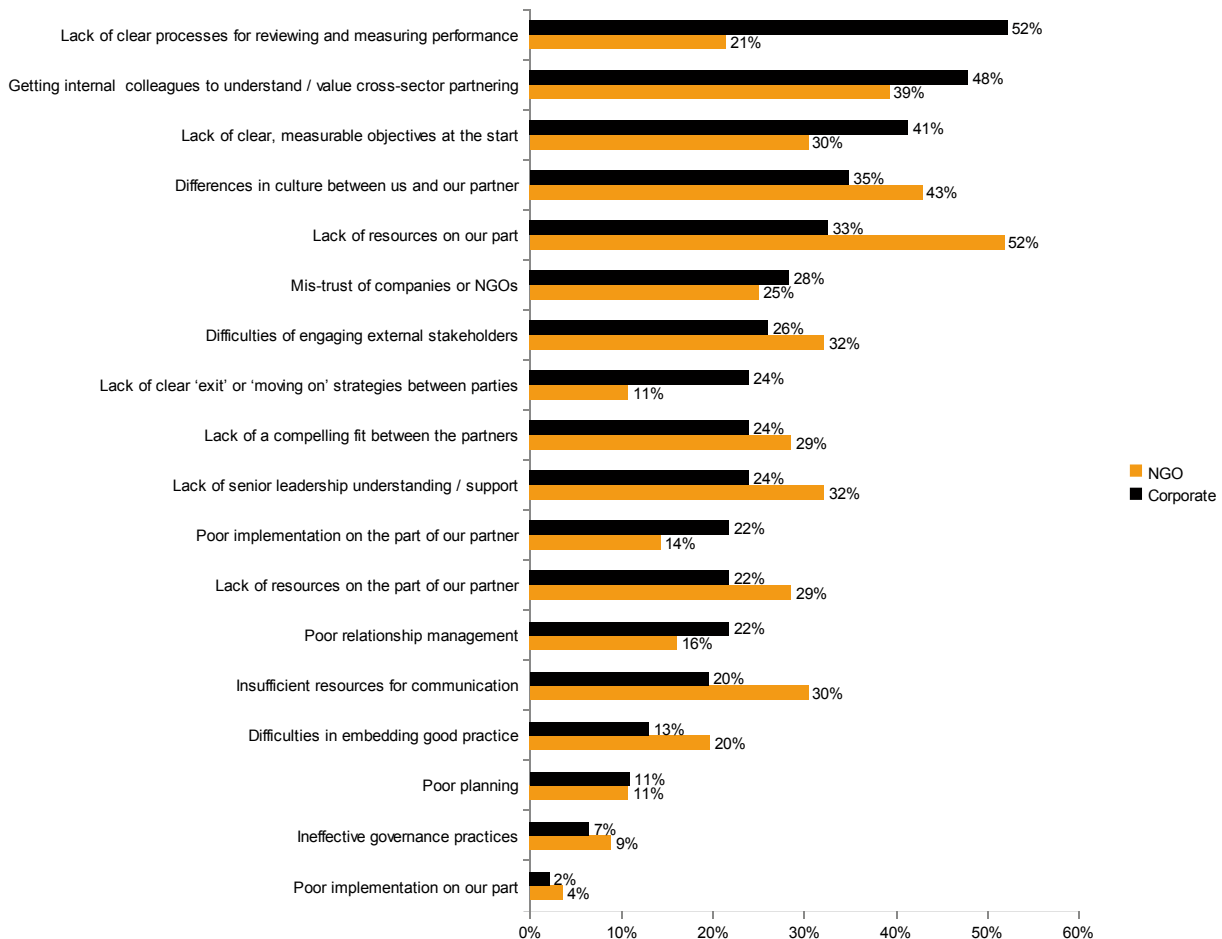
Partnerships have to overcome a range of challenges and barriers in order to secure success

To help us understand the challenges and barriers that most organisations and partnerships often have to overcome, we identified a range of factors and asked practitioners to tell us which factors they identify as the key challenges or barriers they encounter in undertaking corporate-NGO partnerships.

Figure 15: Barriers to successful partnering

“What would you say are the key challenges or barriers for you in undertaking corporate-NGO partnerships? TICK ALL THAT APPLY”

Base size: 104



The headline points are that:

- Respondents across the business and NGO spectrum identify a wide range of factors as challenges or barriers
- There are significant differences in the “key challenges or barriers” factors most identified by Businesses and NGOs. For businesses, lack of performance measurement processes, getting internal buy-in, and lack of clear measurable objectives (at the commencement of partnerships) are listed as the most significant challenges or barriers to success. NGOs on the other hand list lack of internal resources, differences in cross-sector culture, getting internal buy-in, and lack of leadership support amongst their most significant challenges or barriers.
- For businesses the key challenges and barriers appear to be more process related, whilst for NGO’s issues of resources, culture and leadership are more to the fore.

We consider the challenges and barriers in a little more detail below.

Performance measurement

The difference in importance ascribed by companies (52%) and NGOs (21%) to lack of performance measurement processes as a key challenge or barrier is very striking. Clearly, since partnerships are important to the agendas of the organisations involved in this survey, it would seem important to have the right processes in place in order to determine the effectiveness of partnership performance.

It is not entirely clear why NGOs do not ascribe a similarly high level of importance to this perceived barrier to success to their corporate counterparts. We suggest that this could be an example of the cultural differences which exists between the sectors, and which ultimately raise challenges and increase pressures on partnerships.

However, given the importance placed on this by the corporate sector it would appear that both sectors will need to focus much more on identifying, securing and implementing effective performance measurement processes.

“The difference in emphasis in terms of the importance of measuring outcomes is striking and demonstrates an area of weakness within the voluntary sector. There is no doubt that those NGOs that effectively demonstrate the economic, social and environmental impact of their activities will have a clear advantage in the future. Quite rightly, public and private sector funders are increasingly demanding a demonstrable return on their investment and NGOs need to respond to these demands, particularly if we are seeking to create some sort of balance in our partnerships.”



Jason Suckley
*Director of Fundraising,
Scope*

Engaging stakeholders

Both corporates and NGOs agree that convincing internal colleagues to understand, value and prioritize cross-sector partnering is difficult. However, more companies (48%) list this as a barrier than NGOs (39%).

Both sectors also report that engaging external stakeholders can represent a challenge or barrier to the partnering process. However – and rather surprisingly, overall, there is a clear suggestion that cross sector partners actually find the “selling” of the whole partnership process to be easier externally, than to “sell” to those within their own organisations.

Limited resources, differences in cross-sector culture, lack of leadership support along with the difficulties they face in securing internal buy-in, the existence of cultural challenges and lack of leadership support represent very substantive challenges or barriers to NGOs in the partnering process. These challenges pervade most aspects of their partnering experience and can act as serious brakes on success.

Crossing the divide - sources of tension between business and NGO partners

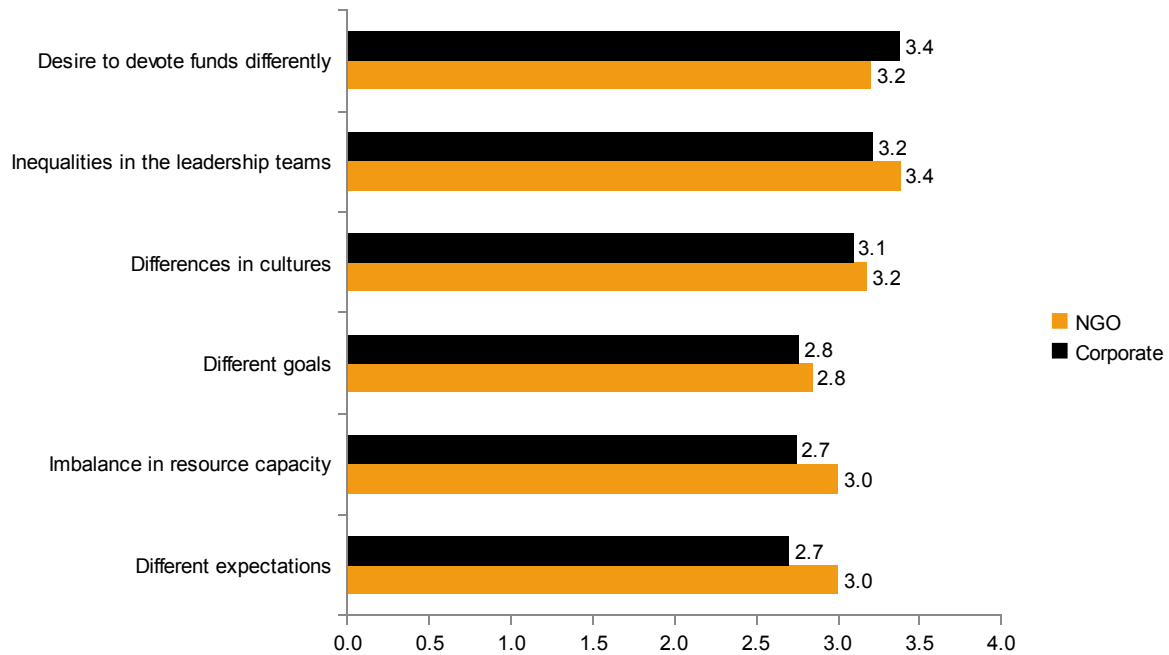
Although there is anecdotal evidence across the sectors, little is formally recorded about the tensions apparent in developing and sustaining corporate-NGO partnerships. We therefore asked practitioners to think about their frustrating experiences, the tensions they have perceived and experienced within cross-sector partnering and why these emerge.

We wanted to put to the test, six perceived tension factors, so we asked respondents to rate each tension area from 1 (no tension) to 5 (high tension). Respondents had the opportunity to add their commentary regarding tension areas.

On the whole, our findings tell us that tensions are definitely evident. The average tension levels in all areas ranged within a relatively small spectrum of between 2.7 and 3.4, and although shown to exist in all the six areas suggested by the survey, NGOs and businesses are in broad agreement on the levels to which they each experience each of these tensions.

Figure 16: Tension factors

“There are sometimes tensions between Corporates and NGOs in developing partnerships and sustaining good relationships. On the basis of your organisation’s partnerships and using a scale of 1 to 5, where 1 means no tension and 5 means high tension, what score would you give the examples for tension arising from the above?”
Base size: 99



There is often a perceived imbalance in the power dynamic between partnering businesses and NGOs

It is apparent from our findings that there is a clear perception of imbalance in the sharing of power in business-NGO partnerships. This is a view upheld by both NGOs and interestingly, a third of corporates themselves, as being weighted in favour of the corporate partners. Although widespread in all partnerships, it is felt more significantly by those practitioners engaged in 10 or less collaborations. Only a minority of responding practitioners identify the balance of power to be in support of NGOs.

Practitioners offered a wide range of their own suggestions for this imbalance, which it appears, is happening despite the best intentions for it to be avoided.

Several respondents suggest that power imbalances result from the size, resources and reach of companies – a clear sense that “cash is king”!

Figure 16: The cross-sector power dynamic (All)

“Thinking GENERALLY of your organisation’s most important corporate-NGO partnerships, to what extent would you say that the “power dynamic” between the partnering organisations is balanced?” *Base size:102*

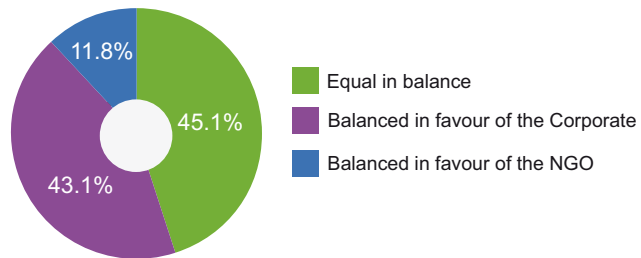
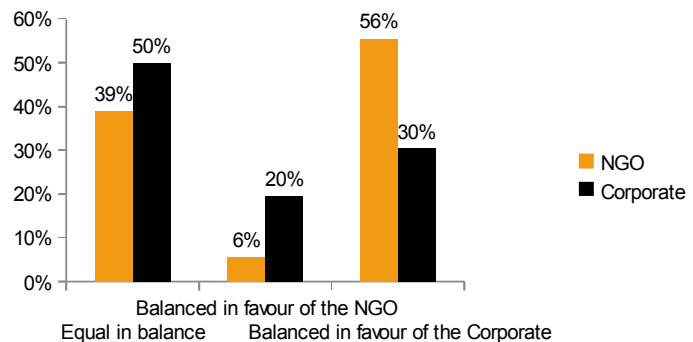


Figure 17: The cross-sector power dynamic (by sector)

“Thinking GENERALLY of your organisation’s most important corporate-NGO partnerships, to what extent would you say that the “power dynamic” between the partnering organisations is balanced?” *Base size:102*



“Money brings with it expectations of power. To get the funding agreed certain ground must be given.” and “power is usually in the corporates’ favour because it’s the corporate that holds the purse strings.”

There is also a certain amount of anxiety within NGOs about the negative outcomes of attempting to redress the perceived imbalance of power:

“As NGOs in an increasingly competitive marketplace, to secure such partnerships (especially resource based as opposed to strategic) we are forced into a situation where power is often unequal and to confront it, [we worry that] companies would walk away from partnerships if this was redressed in any significant way”.

Such anxieties are accompanied by the fear that although a partnership may be a vital part of the NGOs mission, it may only be a small part of a company’s CR agenda.

“Strong partnerships are about playing to each other’s strengths. Corporates and NGO’s need to recognise the unique contribution they each make to the partnership and then leverage this knowledge and skills rather than trying to duplicate them...”

Where a Corporate is working with Global and Local NGO partners [on a common theme], collaboration is key if we are to shift perspectives on a single cause, putting to one side competitiveness over funding and focussing on the cause, being creative about how partnerships work through sharing all the resources available such as people, property, skills, learning and relational networks...This commitment to building capability and capacity in addition to the provision of funds ensures the impacts of our work together are truly sustainable.”

(Marie Sigsworth)

“The corporate has the resources the NGO wants, and the NGO is constantly in fear of the corporate walking away. Whereas the partnership is crucial for the NGO, even though it is strategic, it [the partnership] is still only part of the corporate’s CSR”.

However, businesses should not be assumed to be the “bad guys” in the partnership arena. Our findings confirm their own realisation of a degree of power imbalance in their favour. There is recognition by both NGOs and companies that the latter are not always to blame, and some partnerships are obviously getting it spot on:

“our corporate supporters share a strong collaborative relationship with us and can see the benefits to their business/ staff engagement of working with us [in a balanced way].”

In many cases respondents report that companies often try hard to redress imbalances in the power dynamic where they exist.



Marie Sigsworth

*Group CR Director
Aviva Plc*

Part 6: The partnering experience (2) – enablers of success

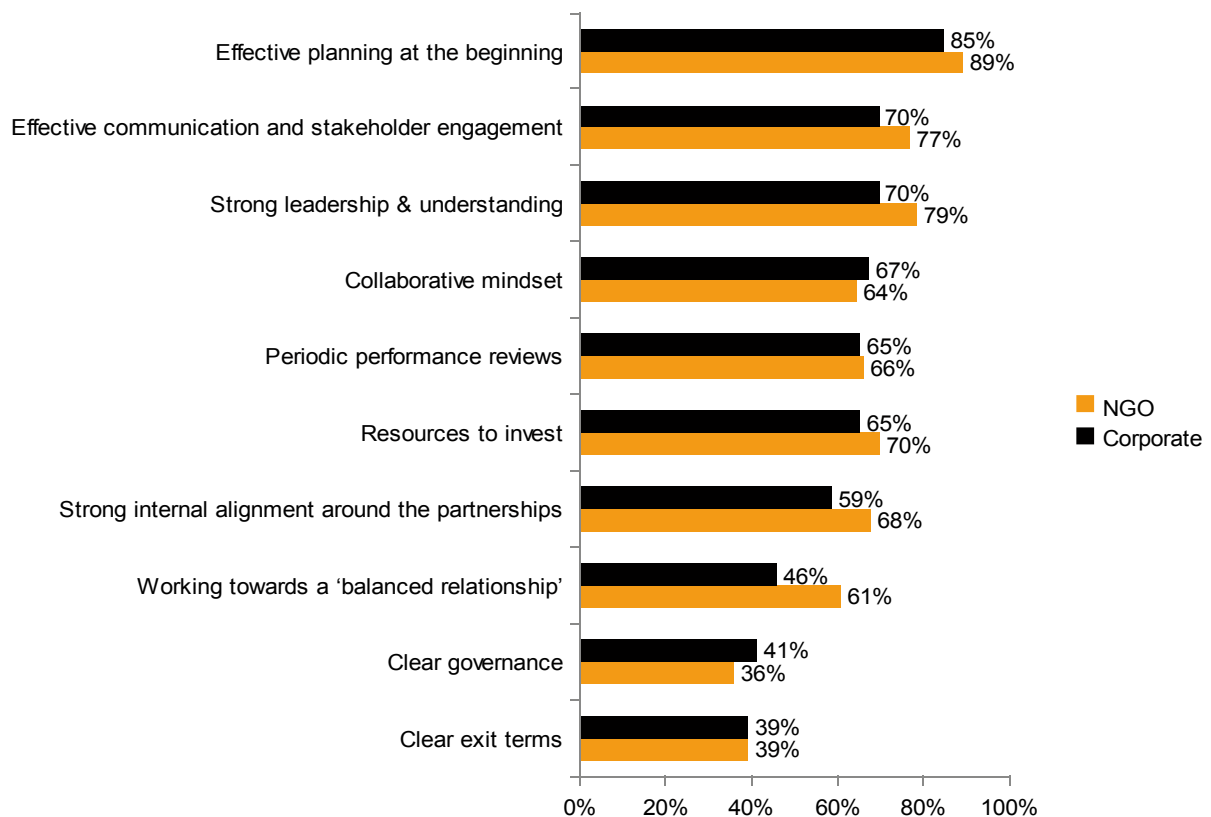
Despite the challenges and barriers highlighted in the prior section, we know that corporate-NGO partnerships are important and that many practitioners expect their current partnerships to meet objectives and deliver the value expected of them. So how do practitioners go about ensuring success? More specifically, what enables successful partnering?

To help address these questions we presented respondents with a range of success factors and also gave them an opportunity to identify or comment on their own success enablers. In responding to the question: “what would you say are the enablers of successful partnerships?” we found that there is striking and encouraging agreement between businesses and NGOs regarding these factors.

Figure 19: Success enablers

“What would you say are the enablers of successful partnership in your experience? TICK ALL THAT APPLY”

Base size: 104



Planning, communication, leadership, and stakeholder endorsement all matter

It is clear that both sectors recognise that effective planning early on in the process is key, as are the effective communication and the engagement of stakeholders, underpinned by strong leadership and the understanding of partners and goals.

Practitioners also commented on openness and honesty as enabling factors, saying it is about “both being honest about what you need out of the relationship and why is vital”.

“Cross-sector partnerships are essential for meeting society’s development needs. Business can’t possibly claim to be the expert on a range of non-core matters. Nor can NGOs operate in isolation of private-sector influences. The research reveals that companies need the support of NGOs to tackle issues and business risks, whereas NGOs need business to provide resources and capabilities. However, it would be additionally useful for the next iteration of this research to examine the role of government which can also enable success. In developing countries three-dimensional partnerships are more common and in the UK all three sectors would also benefit from greater interaction through cross-sector partnerships to contribute to societal development.”

The most notable variance in the emphasis ascribed by the different sectors to success enablers relates to “working towards a balanced relationship”. 15% more NGOs than companies suggest the balance issue is more important in enabling partnering success.

The views of the sectors are identical, when it comes to drawing a partnership to a close. Although considered less important than other factors, both are in total agreement that clear exit terms actually make for successful partnerships.



Charlotte Wolff

*Corporate
Responsibility Manager,
ArcelorMittal*

Part 7: Medium-term prospects for corporate-NGO partnerships

Is partnering likely to be more or less important over the coming years, and if so, why? Will investment in partnering increase or decrease over the next few years?

We thought it would be critical to capture not just a snap shot of practitioners' views of their current partnering experiences, but also their collective sentiment regarding future developments in cross-sector partnering over the next three years.

As practitioners seek to navigate their way through the current fragile economic recovery, the uncertain economic climate and dramatic cuts in public sector spending, what are their projections for future corporate-NGO partnering?

Businesses and NGOs have great expectations for cross-sector partnering between now and 2013

With almost 90% of practitioners feeling that partnerships will play a more important role in the NGO or Corporate

agenda over the next three years, it seems that the future for cross-sector partnerships looks positive.

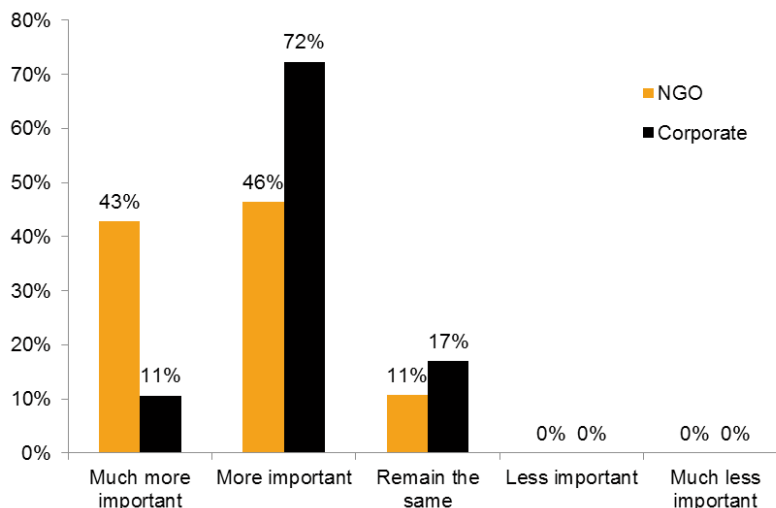
Whilst businesses and NGOs overwhelmingly share the view that cross-sector partnering will become more important over the next three years, there are some differences in emphasis between the sectors. NGOs are significantly more optimistic about the future of partnerships than businesses (43% of companies see partnerships as likely to be "much more important" over the next 3 years, compared to 11% of company respondents)

That said, reassuringly the corporate sector is also positive in its assessment of the prospects for partnering, with 83% of corporate respondents expecting that cross-sector partnerships will become either "more" or "much more" important between 2010 and 2013.

Figure 20: The future importance of Cross-sector partnerships

"What is your expectation of the role that partnerships will play in the corporate or NGO agenda over the next 3 years? Would you say they are likely to become.....?"

Base size: 105



Pressure on companies and the need to leverage each others' assets are key drivers

With such a positive outlook, we wanted to find out about the factors that practitioners consider likely to make corporate-NGO partnerships more or less important up to 2013.

Increasing recognition of the need to leverage assets across-sectors, pressure on companies to demonstrate societal consideration, and more evidence of successful partnering are three main factors identified by practitioners as likely to drive the expected growth in partnerships. On the whole, there is broad cross-sector

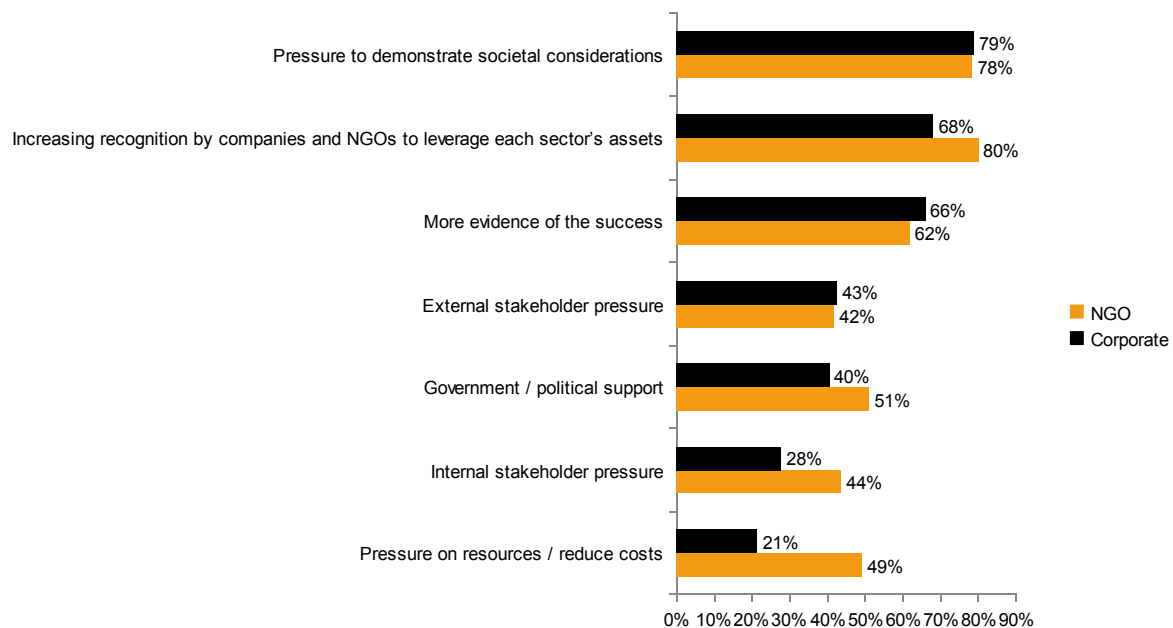
agreement about these three factors - although NGOs place more emphasis on "leveraging each others' assets" than do company respondents (80% and 68% respectively).

However, whilst both sectors highlight government / political support for the partnering agenda as a factor, this appears to be a more important factor for NGOs (51%) than for businesses (40%). Similarly, internal stakeholder pressure and pressure on resources / the need to reduce costs are highlighted by significantly more NGOs than businesses. This is likely to reflect the economic pressures being faced by the NGO sector in particular. It also reflects the current drive towards efficiency.

Figure 21: Why partnerships will become more important

"In your view, what factors are likely to make corporate-NGO partnerships more important in the next 3 years? TICK ALL THAT APPLY"

Base size: 104



Investments in business-NGO partnerships are projected to rise over the next three years

On the topical question of future investment in partnerships up to 2013, our findings reveal a clear, positive expectation across business and NGO respondents. 80% of the respondents forecast an increase in their level of investment (of commitment, time, resources, etc) in future partnerships.

Again, NGOs are more enthusiastic in expecting to increase their investments than are company respondents (23% of NGOs expect to increase their investments significantly, versus 6% of company

respondents). However, a strong majority of companies (72% of respondents) expect their investment in corporate-NGO partnerships to increase in the next 3 years.

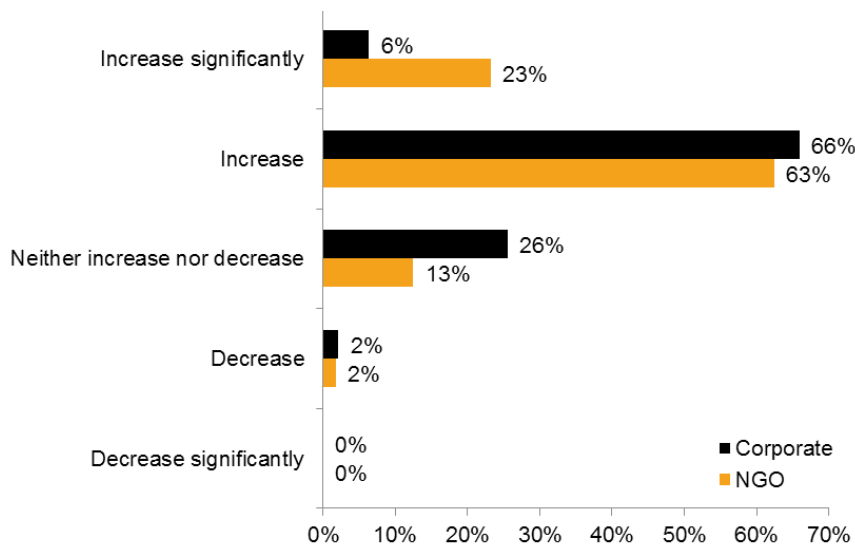
Interestingly, despite worries about the possibilities of a double-dip recession, slow growth and the current climate of economic austerity, only 2% of NGOs and businesses expect there to be a decrease in their investments in partnerships over the next three years.

It seems therefore that the medium term future is bright for corporate-NGO partnerships.

Figure 22: Future investment in partnerships

“Is your investment (commitment, time, resources, etc) in corporate-NGO partnerships likely to increase or decrease over the next 3 years?”

Base size: 104



Concluding remarks

In creating The C&E Corporate-NGO Partnerships Barometer we believed it would be critical to secure the collective views of practitioners on both sides of the partnership arena. It is fantastic that this first Barometer has indeed succeeded in securing their enthusiastic and informed input.

With that input, we set out to pin-point the motivations, drivers, current practice, expectations, key trends and changing practices in cross-sector partnerships. We also wanted to identify points of difference and alignment between companies and NGOs regarding the partnering agenda.

Our aim was to inform partnering practice and enable both NGO and corporate practitioners to make informed decisions and investments in what has now been confirmed to be an increasingly important area. We believe we have met that aim.

As a result of this first Barometer we now know more about the importance, types, drivers, practice, and future prospects for cross-sector partnerships. We know definitively that:

Corporate-NGO partnerships are important to both sectors and are set to become even more important over the next three years

- Investments by companies and NGOs in cross-sector partnerships are set to grow over the next three years - a striking finding, considering the prevailing background of fragile recovery from a deep recession, uncertainties about future economic prospects, as well as

the impending, unprecedented levels of public sector austerity

- The core motivations for partnering across the sectors are strikingly different. Whilst businesses are primarily motivated by reputation, resource generation is the prime motive for NGOs
- There is consensus across the sectors that external pressure on companies to demonstrate societal consideration within their business practice, an increasing need for NGOs and businesses to leverage each others' competencies and assets, and increasing evidence of the success of partnerships are key drivers for the growth in cross-sector partnering
- Social investment, marketing, advocacy and business-type partnerships are the most popular classifications of partnerships – although variations exist between the sectors
- Most practitioners are either confident or very confident that their strategic partnerships will meet their objectives and deliver the value expected of them

We have also learnt that:

- Partnering across sectors can be a challenging undertaking, with partners facing a range of internal and external challenges and barriers
- Most of the challenges are faced across both sectors - so whilst NGOs tend to face particular challenges around limited resources, lack of leadership support and cultural barriers, practitioners on both sides face similar challenges relating to engaging their internal colleagues, clarity of measurable objectives and lack of clear processes for reviewing and measuring partnership performance.
- Ensuring an appropriate balance in the power dynamic between corporate-NGO partners and finding effective ways to neutralize the significant influence of the purse string is also a clear challenge in the partnering journey.

In our view, partners on both the corporate and NGO sides will need to focus more on the benefits derived from their exchange of values and competencies if they are to avoid the negative effects of unbalanced partnerships.

We now also know the factors that work as enablers, enhancing the likelihood of successful partnering:

- The collective view of practitioners demonstrates that where they can be established, strong leadership, effective planning (with clear objectives and strong fit between partners), communication, appropriate resources, strong internal alignment and a collaborative and culturally-sensitive mindset are key enablers to success
- The need for clear measures and periodic and objective reviews of performance are also essential to success
- We have also discovered the corporate-NGO partnerships and partnering organizations most admired by practitioners.
- Whilst the Barometer highlights the respective stand-out partnering motivation for businesses and NGOs as reputation and resource generation, it is notable that the most admired partnerships and partners concentrate on delivering mission-led collaborations.

Finally, this first edition of the C&E Corporate-NGO Partnerships Barometer leads us to conclude that success and leadership in corporate-NGO partnering has a great deal to do with focusing on developing strategic, mission-focused collaborations that draw on each partner's core competencies.

All the role- model partnerships and partners exchange values, knowledge and competencies across sectors. They harness these various assets to address significant challenges or exploit opportunities facing the partners (sustainable business, climate change, international development, etc). This focused, mission-led approach to strategic cross-sector partnerships provides the deep credibility and authenticity which so impressed most practitioners.

The message for companies therefore appears to be that a focus on reputation alone will not be value-maximising. And for NGOs, it is clearly potential-limiting to focus on one-dimensional, cash-focused partnerships.

In seeking to derive the greatest value from the promising future of cross-sector partnering identified by this report, both sectors will need to rise to the challenges and opportunities inherent in creating mission-led, strategic, cross-sector partnerships. It is hugely encouraging that the medium term prospects for partnering between businesses and NGOs remains strikingly bright.

We are delighted to have shared this inaugural edition of The C&E Corporate-NGO Partnerships Barometer with you. Thanks to the collective views of the practitioners who participated in this production, we believe that all of us – practitioners and advisers - are now better placed to make more informed decisions and investments as we navigate the bright future of our respective journeys in cross-sector partnering.

About C&E Advisory

C&E is a leading, specialist 'business & society' consultancy. We work with some of the world's foremost businesses, NGOs and High Net-worth Individuals, helping them secure compelling business, social and environmental value. And because today's issues require new ways of thinking and working, C&E is particularly adept at inspiring and enabling sometimes surprising cross-sector collaborations.

C&E has advised – and advises - on some of the world's leading business-NGO partnerships.
www.candeadvisory.com

Appendix 1

Survey respondents (excluding organisations wishing to remain anonymous)

Companies (and corporate foundations)

- Accenture
- Allen & Overy LLP
- Alliance Boots
- ArcelorMittal
- AstraZeneca
- Aviva PLC
- Barclays
- Boots UK Ltd
- British Airways
- Capgemini
- Centrica
- Clifford Chance LLP
- Credit Suisse
- Deloitte
- Deutsche Bank
- DLA Piper
- eBay
- Friends Provident
- HSBC
- Imperial Tobacco
- Innocent Foundation
- Linklaters LLP
- Marks and Spencer
- Mothercare
- MTV Networks International / Staying Alive Foundation
- Northern Foods PLC
- Old Mutual
- P&G
- Santander
- SEGRO
- Shell Foundation
- Shop Direct Group
- Sky
- Sony Music
- Standard Chartered
- Standard Life PLC
- Thomas Cook Group
- Vodafone Group

NGOs

- Amnesty International
- Arthritis Research UK
- Asthma UK
- Battersea Dogs & Cats Home
- Breast Cancer Campaign
- British Red Cross
- CARE International UK
- Centrepont
- Chickenshed Theatre Trust
- Child Welfare Scheme
- Children in Need
- Christian Aid
- CLIC Sargent
- Community Links
- Crisis
- Daycare Trust
- English National Opera
- Fairbridge
- FARM-Africa
- Friends of the Earth (England, Wales & NI)
- Get Connected
- Global Action Plan
- Great Ormond Street Children's Hospital
- Imperial College London
- Jewish Care
- Macmillan Cancer Support
- Media Trust
- Nelson Mandela Children Fund
- RSPB
- Save the Children
- Scope
- The Climate Group
- The Eve Appeal
- The MS Society
- The National Trust
- The Orr Mackintosh Foundation
- The Prince's Trust
- The Prostrate Cancer Charity
- The Stroke Association
- Tommy's
- V, The National Youth Volunteering Service
- Volunteering England
- VSO
- Water-Aid
- Whizz Kids
- Woodland Trust
- WWF-UK
- YMCA England
- Youthnet

Appendix 2

C&E Research Team

Ruth Mcneil

Ruth is a market researcher with particular experience in the business and cause marketing sectors. A Fellow of the UK's Market Research Society, Ruth was a leading member of the Cause Related Marketing (CRM) Leadership Board at Business in the Community (BiTC). She undertook and led a great deal of the qualitative and quantitative research which underpinned BiTC's assessment of and business case for CRM over several years in her then role as a managing director of Research International.

Ruth convenes the Market Research Society's "International Research" training course and is a frequent speaker on market research issues in Europe and USA. Her 2005 book "Business to Business Market research: Understanding and Measuring Business Markets" now translated into Russian, is considered a seminal work on market research and research practice today.

Teresa Lane

After gaining a first class BSc honours in Environmental Studies, and a Masters degree in Environmental Technology at Imperial College London, Teresa's began her career in research journalism. She undertook in-depth research and wrote reviews on a range of commercial products and services. Her reports were regularly published in the business media.

Teresa subsequently moved to the voluntary sector, combining her research and writing skills to inform and support the income generation strategies and programmes of a number of national charities. She is recognised for her ability to provide innovative and contemporary research resources and techniques, high quality, client-tailored research, and for her strong attention to detail.

David Holding

David is an economics graduate with an early career in the commercial marketing communications arena. Having worked for a number of companies he took his marketing skills to the charity sector where he held a range of senior roles in research, marketing and fundraising.

David is an investment writer and writes regularly for The Motley Fool – the financial investment website.