



Corporate-NGO Partnerships Barometer 2012

- Corporate-NGO partnerships increasingly relevant to the business agenda – they enhance understanding and lead to better business practices
- Partnerships with businesses support mission delivery for NGOs as well as for business
- The prolonged recession has acted as a spur to the Corporate-NGO partnering agenda

Headline Findings

Importance and role of Corporate-NGO partnerships

Partnerships between businesses and NGOs remain important for both sectors

- For leading UK-based multi-nationals, such partnerships are **becoming an increasingly important instrument in driving forward the core business agenda**
 - Over three quarters (77%) of business respondents to the Barometer study stated that partnerships with NGOs are 'very important' or 'important' to their (core) business agenda. Such partnerships are 'very important' to the business agenda of a third of all business respondents (a rise of 19% compared to 2011) and 'important' to a further 40% of corporate respondents (up 10% on 2011).
 - However, (with a score of 82%) enhancing brand reputation and achieving greater credibility remains the leading reason why companies choose to partner with NGOs.
- In contrast, the opportunity to access and generate resources (including funding) remains overwhelmingly the most important reason why NGOs partner with businesses, with 96% of NGO respondents listing resource generation as a reason for partnering.
- However, there is evidence that NGOs may be moving beyond the single-dimension, 'cash partnership' mindset, and that **business partnerships are increasingly important to NGO's mission-delivery agenda** (whether that relates to service provision or campaigning).
 - There were significant increases in the percentage of NGOs partnering with businesses in order to secure access to people and networks (technical expertise, labour, etc). This was 15% up on 2011.
 - The percentage of NGOs partnering for purposes of innovation (i.e. developing unexpected or new ways of addressing old issues and complex challenges) was up 15% on 2011
 - There was also a marked (12%) increase in the percentage of NGOs partnering with businesses to in order to improve efficiency (reducing or sharing costs and delivery systems, and by avoiding duplication)

The partnering experience: effectiveness, perceptions, the recession and Shared Value

- The Barometer discovered an overwhelming level of confidence that **strategic partnerships between NGOs and businesses are meeting their objectives and delivering value**, with 90% of respondents expressing such views
- Despite the above findings, **NGOs and Businesses continue to dispute the value (or perceived value) of non-financial support**
 - In an echo of last year's finding, 68% of businesses in the 2012 Barometer say that harnessing their competencies and non-cash resources would make much more of an impact on the fulfilment of their NGO partners' objectives, than purely cash-based relationships.
 - However, only 20% of NGOs agreed with this view, (a significant drop of 18%). This represents a huge gap in perception of value between the two sectors.
- Companies confirm that **partnerships with NGOs are really moving the dial**: they are adding very clear value to businesses...
 - An overwhelming majority (91%) of company respondents state that their key NGO partnerships have helped their businesses to improve understanding of social and / or environmental issues.
 - And 57% of corporate respondents state that their key NGO partnerships have helped them change business practices for the better.

These findings explain why partnerships are becoming more central to businesses

- **...But NGOs understate the value of their role** in enhancing business understanding and improving business practices for the better
 - 78% of NGO respondents (compared to 91% of business respondents) state that partnerships between the sectors improve business understanding of social and environmental issues
 - And 50% of NGO respondents (compared to 57% of their corporate peers) state that such key partnerships help to change business practices for the better
- The differential weight of views may result from the two sectors applying different standards for assessing change – or it may simply be the case that NGOs underestimate the value of their contribution to the business agenda
- Additionally, **NGOs understate their perceived effectiveness as 'business partners'**
- The largest divergence between the sectors in the 2012 Barometer arose when NGOs and corporate respondents are asked about how NGOs are perceived by companies

- Nearly three quarters (74%) of business respondents agreed that ‘on the whole, NGOs are effective, professional entities with which companies can do business’ (only 6% of corporate respondents disagreed with this view)
- Conversely, only a small majority of NGO respondents (42%) agreed that ‘on the whole, NGOs are considered by companies to be effective, professional entities with which they do business’. And nearly a quarter of NGO respondents (23%) disagreed with this statement

This striking dissonance between the sectors may indicate either ineffective communication between the sectors and / or a lack of confidence by the NGO sector in its own professionalism and effectiveness.

- **Recession and slow economic growth have boosted Corporate-NGO partnering!**

- The tough economic climate has spurred more companies and NGOs (58% of the combined sample) to place a greater emphasis on cross-sector partnering than might otherwise have been the case over the last two years.
- These organisations placed a ‘greater’ or ‘much greater’ emphasis on Corporate-NGO partnerships as an efficient way to drive value’ in a tough climate. And this effect was more pronounced for NGOs
- Perhaps, linked to the pressure on resources for both sectors, **marketing-led partnerships (concentrating on cause-related marketing) saw a marked increase** (up by 14% on 2011). This was striking in a year in which figures for other types of partnerships remained broadly stable at a consolidated level
- **Awareness and interest in ‘Shared Value’ is high across the business and NGO sectors.** The idea of Shared Value locks together the unique competencies of businesses and NGOs to deliver products or service solutions with commercial scale and deep social impact for customers and clients.
 - Approximately 87% of NGOs are aware of and / or exploring shared value opportunities, and
 - 93% of businesses are aware of and / or exploring SV opportunities
 - ..But a **range of barriers may be preventing more active take up of SV opportunities by businesses** – notably the challenge of securing internal mandate and engaging colleagues outside of the Corporate Responsibility function.

The most admired Corporate-NGO partnerships and partners

- M&S and Oxfam triumphed yet again as the 'Most Admired Corporate-NGO Partnership 2012' – with a higher share of the free vote
 - P&G (Pampers) – UNICEF '1 Pack=1 Vaccine' holds onto second place, but Boots-Macmillan partnership storms in to tie for second place
- Oxfam again secured the 'Most Admired Partnering NGO 2012' status, ahead of UNICEF and Macmillan Cancer Support (a new entrant at the top end of the rankings)
- M&S also secured the accolade of the 'Most Admired Partnering Company 2011' ahead of P&G and Boots

Future prospects for Corporate-NGO partnership

The mid-term prospects for Corporate-NGO partnering remain bright. Between 2012-2015:

- Both businesses (82%) and NGOs (85%) expect the role of cross-sector partnerships to become more important to their organisations over the next three years
- Pressure on businesses to demonstrate societal consideration, and the desire by companies and NGOs to leverage each other is the key driver to this expected growth
- **Investment (of time, commitment and resources) in Corporate-NGO partnering is set to grow over the next three years**, with 77% of business and NGO respondents expecting their investment in cross-sector partnerships to either increase or increase significantly over the next three years
- In a notable finding, only 2% of respondents from either sector suggested that their investment in partnerships will decrease over the next three years

Concluding points

Partnerships will always be complex and challenging because, by definition, they involve different organisations, sectors and cultures. But this practitioner-led 2012 edition of the Corporate-NGO Partnerships Barometer confirms yet again that the future for such partnerships remains bright!

The future remains bright because, on the whole, such partnerships are successfully evolving in order to meet their objectives. They are adding notable value – to the core business of business, and to the delivery of NGOs mission. This explains why even in very difficult circumstances, partnerships have remained high on the agenda of businesses and NGOs.

About C&E Advisory

C&E is a leading specialist 'business and society' consultancy. We work with some of the world's foremost businesses, NGOs and High Net-Worth Individuals, helping them secure sustainable value – shareholder, social and environmental.

And because today's challenges and opportunities require new ways of thinking, C&E is particularly adept at inspiring and enabling sometimes surprising cross-sector collaborations. We have advised – and continue to advise – on some of the world's leading and best known Corporate-NGO partnerships. www.candeadvisory.com

About the Barometer

Methodology

The C&E Corporate-NGO Partnerships Barometer 2012 was compiled using responses to a confidential online survey of 136 leading UK-based companies and NGOs engaged in Corporate-NGO partnerships.

The high number of respondents reflects a growing interest in the Corporate-NGO partnering agenda and confirms some of the findings in our survey. It also reaffirms practitioners' strong appetite for the Barometer as an important instrument which provides a sector-wide perspective, gauging changes in the cross-sector partnering landscape.

The survey comprised a broad mix of new and previously asked questions. This mix allowed us to identify new issues in partnering, whilst simultaneously enabling accurate and effective comparison of data against Barometer readings from previous years.

In this year's survey, more respondents than ever expanded on their own opinions through open text. This offered a wealth of useful individual commentary, which is reflected in this report.

As a final step in our process, we again invited four leading corporate and NGO practitioners to review and comment on the draft Barometer for 2011. Their commentary is included in this report.

The online survey and practitioner evaluation took place during the summer of 2012.

The Sample

The online survey was undertaken by 136 respondents of which 129 were involved in cross sector partnerships. Of these, corporate sector respondents were drawn mainly from the FTSE100, Interbrand's Best Global Brands Ranking, and Business in the Community's Corporate Responsibility Index. NGO respondents were drawn mainly from the leading UK charities – by brand and revenue ranking. (See Appendix 1 for list of participating organisations). Our thanks to all who took part.

The distribution of 45.4% corporate and 51% NGOs (figure 29) was again very well balanced, with the remaining few respondents representing Corporate Foundations and an international organisation.

The survey participants encompassed a diverse range of professional roles all directly engaged in, or overseeing Corporate-NGO partnerships from a senior level. However, this year noticeably over a third of corporate respondents held a specific corporate responsibility position, as can be seen in figure 30.

Figure 1: Sector representation

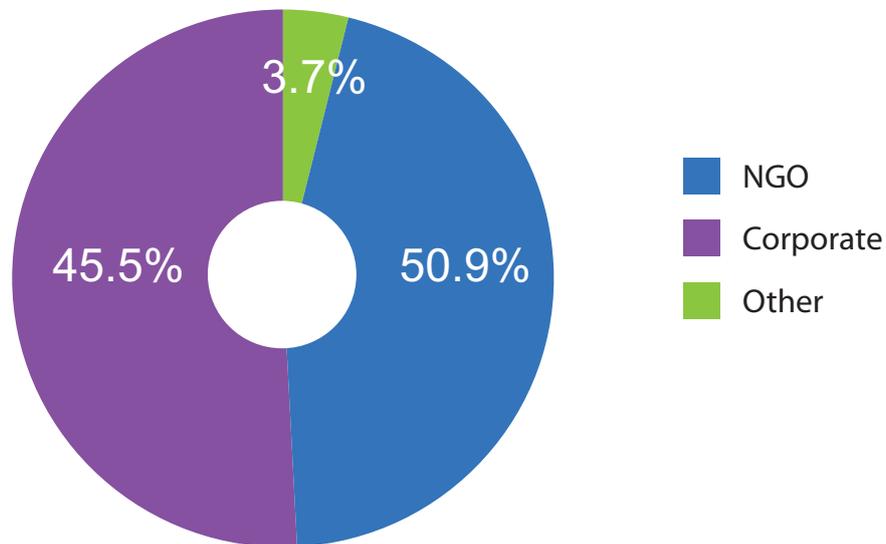
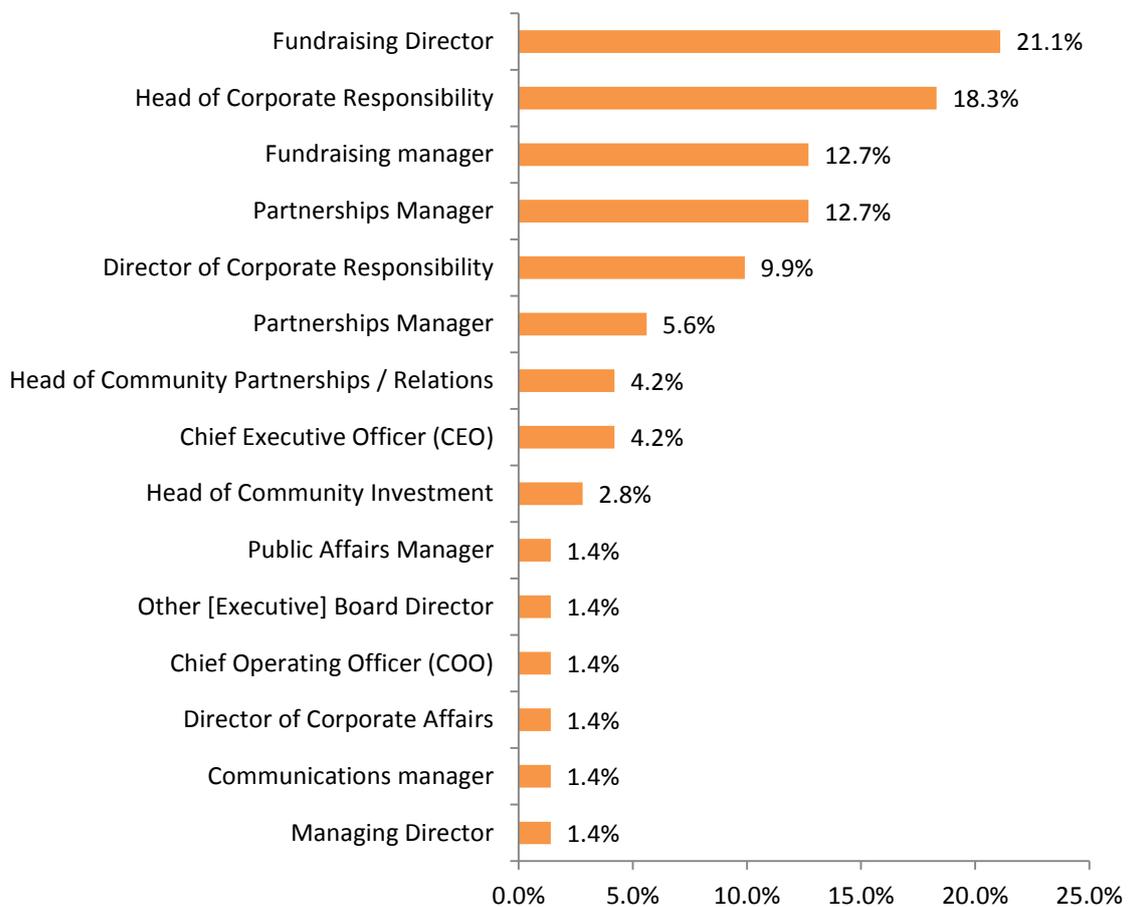


Figure 2: Respondents' roles



Appendix 1: Survey respondents (excluding organisations wishing to remain anonymous)

NGO

- Action for Children
- Addaction
- AfriKids
- Age UK
- Amnesty International UK
- Arthritis Research UK
- Asthma UK
- Barnardo's
- Bliss
- Breakthrough Breast Cancer
- Breast Cancer Care
- British Heart Foundation
- British Red Cross
- Charities Aid Foundation
- Cancer Research UK
- CARE International
- Christian Aid
- Citizens Advice
- Comic Relief
- Coram
- Friends of the Earth
- Global Action Plan
- Great Ormond Street Hospital Children's Charity
- Help the Hospices
- Kidney Research UK
- Make-A-Wish UK
- Mencap
- Merlin
- Nelson Mandela Children's Fund UK
- Oxfam
- Royal Horticultural Society
- Save the Children
- STARS Foundation
- The Forest Trust
- The National Autistic Society
- The Prince's Trust
- UNICEF
- World Food Programme
- Wildfowl & Wetlands Trust (WWT)

COMPANIES & CORPORATE FOUNDATIONS

- Alliance Boots
- Allianz Insurance Plc
- Anglo American
- ArcelorMittal
- Asda
- AstraZeneca
- Aviva plc
- Barclays
- BFI
- BP
- Brewer
- BSkyB
- Capgemini
- Centrica
- Clydesdale & Yorkshire Banks
- Credit Suisse
- Edelman
- G4S
- GlaxoSmithKline
- HSBC
- Legal
- Legal & General Group Plc
- Linklaters LLP
- Marks and Spencer
- Mondi Group
- Nationwide
- Nestlé S.A.
- NFU Mutual
- Old Mutual
- P&G
- Royal Bank of Scotland
- Virgin Money
- Virgin Unite
- Warner Bros.