Secrets to Creating High-Impact Strategic Partnerships

13 Steps for Building a Strategic Partnership

23 Case Studies of Successful Collaborations

Driving Social Change.

Driving Social Change.

LBG Associates

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About LBG Associates

LBG Associates is a woman-owned consulting firm focused on designing, implementing, and managing corporate citizenship and community outreach programs and initiatives. Founded in 1993 by Dr. Linda Gornitsky, LBG Associates is committed to providing clients with creative and innovative solutions in a personal, professional, cost-effective, and timely manner.

LBG Associates drives social change through:

- Advice to help companies develop strategic, innovative programs that help communities become better places to live and work;
- Implementation of strategies, programs, policies, and procedures, especially for companies with limited time and/or expertise;
- Research on cutting-edge issues, groundbreaking trends, “best practices,” and pressing social needs and concerns;
- Training that equips practitioners with the knowledge and skills to become “strategic thinkers” and to grow and advance in the field of corporate community involvement.

Advice, implementation, research, and training represent LBG Associates’ philosophy about advancing socially responsible business practices. Although steeped in research and scientific methodologies, the firm’s approach to corporate community involvement is more of an art than science, more creative than formulaic.

Specific Services Provided

In response to clients’ needs, LBG Associates’ services include the design, implementation, management, and evaluation of entire community outreach/citizenship programs. The firm helps clients establish and maintain images as good corporate citizens and socially responsible companies by offering custom-tailored services in the following areas:

- Foundation and corporate giving;
- Employee giving and volunteerism;
- Strategic relationship development;
- Strategic communications development;
- Special events planning and sponsorships;
- Research and benchmarking capabilities;
- Program evaluation; and
- Training and staff development.

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Research Participants

Thank you to the following organizations that participated in this study and shared their experiences building strategic partnerships.

Corporations and Their Nonprofit Partners:

Allstate and The National Network to End Domestic Violence

AMD and Games for Change and Boys & Girls Clubs of America

American Express and The National Trust for Historic Preservation

Bristol-Myers Squibb (multiple partners)

Capital One and Junior Achievement

Comcast and One Economy

CSX and City Year

Ernst & Young and College for Every Student

Federal Express and Safe Kids Worldwide

Florida Power & Light and Florida Solar Energy Center and National Energy Education Development Project

Ford and Governors Highway Safety Association

Gap Inc. and The Door, A Center of Alternatives

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Table of Contents

Section	Page
Introduction	5
Executive Summary	6
The Business Case	10
Thirteen Steps to Creating High-Impact Strategic Partnerships	13
Best Practices of Strategic Partnerships	21
Challenges	25
Conclusions: The Secrets of Creating High-Impact Strategic Partnerships	29
Matrix of Key Elements of the Strategic Partnership Case Studies	31
Case Studies:	
Allstate and The National Network to End Domestic Violence	34
AMD, Games for Change and Boys & Girls Clubs of America	39
American Express and The National Trust for Historic Preservation	44
Bristol-Myers Squibb	49
Capital One and Junior Achievement	54
Comcast and One Economy	59
CSX and City Year	64
Ernst & Young and College for Every Student	69
Federal Express and Safe Kids Worldwide	75
Florida Power & Light, Florida Solar Energy Center and National Energy Education Development Project	82
Ford and Governors Highway Safety Association	87
Gap Inc. and The Door, A Center of Alternatives	93
IBM, National Disaster Coordinating Council of The Philippines and Philippine Red Cross	98
Merck and Street Law	102
Moody's and Society for Industrial and Applied Mathematics	106
Pacific Gas & Electric and California Department of Education	111
Pitney Bowes and Reading is Fundamental	116
Rockwell Collins and FIRST (For Inspiration and Recognition of Science and Technology)	121
Salesforce.com and Mayor's Youth Employment & Education Program	128
Sempra Energy and San Diego Zoo	132
Seventh Generation and Women's Action to Gain Economic Security	136
Verizon and Penn State Public Broadcasting	141
Western Union and Mercy Corps	147
Appendix 1: Checklist of the 13 Steps	153
Appendix 2: Contacts at the Corporations and Nonprofits Profiled in the Case Studies	154

Executive Summary

Introduction

Strategic partnerships, sometimes called signature programs, are characterized by a meaningful relationship between a corporation and a nonprofit thus facilitating a company's ability to make a difference in communities.

LBG Associates' formal definition of a strategic partnership is:

A mutually beneficial relationship and investment of resources between a nonprofit and a company that results in a community involvement program that's aligned with the company's corporate citizenship strategy, brand, and business goals, and with the nonprofit's vision and mission.

This report is the culmination of research on 23 strategic partnerships to discover the characteristics of successful partnerships. The case studies are based on interviews with both the corporation and its nonprofit partner or partners. These case studies, combined with LBG Associates' proprietary 13 Steps for Creating High-Impact Strategic Partnerships, provide a comprehensive guide to building successful partnerships for both corporation and nonprofit.

The Business Case

Although philanthropy should drive the creation of a strategic partnership, there are good business reasons to forge a close relationship with a nonprofit. The right philanthropic program with the right partner sets a company apart in the marketplace, building value and enhancing reputation, which in turn can lead to greater business success.

The 13 Steps to Success

LBG Associates' proprietary 13 steps for creating a high-impact strategic partnership are presented in the table below.

Best Practices

LBG Associates has identified a number of best practices through this research and years of experience helping clients create strategic partnerships. There are best practices that apply to the partnership as a whole, as well as those that apply to specific stages of partnership development.

On the highest level, best practice companies consider the following in relation to selecting not only a partner, but the cause to support:

- Image compatibility;
- Strategic and business goals alignment;
- Audience appropriateness;
- The reputation, capacity, and resources of the partner organization(s);
- Company resources, to ensure relationship-building and efficient program execution; and
- The cost/value ratio of the overall effort, with an emphasis on ensuring that there are ways to measure both the societal and business benefits.

On a more granular level, based on the current and past research, and client work, LBG Associates has identified the following as best practices when designing and building a strategic partnership:

- **Get senior management support early.** The earlier executives are involved the better. This ensures that time and energy are not wasted either going in the wrong direction or

13 Steps for Creating High-Impact Strategic Partnerships

Step 1: Gain Management Support for the Concept.

Step 2: Select a Cause.

Step 3: Understand the Cause/Issue.

Step 4: Determine the Goals/Objectives of the Program at a High Level.

Step 5: Investigate Potential Partners.

Step 6: Define the Scope of the Partnership.

Step 7: Select the Final Partner(s).

Step 8: Design the Final Scope and Nature of the Strategic Partnership, Including Goals and Objectives, and Put it in Writing.

Step 9: Get Final Approvals from Both Partners.

Step 10: Develop the Program.

Step 11: Implement the Program, or Pilot Where Appropriate.

Step 12: Evaluate the Impact of the Program and Make Appropriate Changes.

Step 13: Implement the Exit Strategy When Appropriate.

working on a partnership that the C-suite does not endorse.

- **Consult internal resources before selecting a cause.** Besides being a wealth of information, internal stakeholders will need to buy into the partnership once it is formed. Involving them in the choice of cause or issue will help build their support.
- **Consult outside experts on the cause.** Academics, consultants, nonprofits, and others can give a company insight into what is currently being done to address a social issue as well as propose new solutions.
- **Don't lose sight of the business goals.** Philanthropy comes first, but as stated, there are business reasons for forming these partnerships. Determine what they are, and track your progress.
- **Be picky about the partner.** "Good enough" is never good enough. Patience and tenacity

will lead to the right partner with the right resources and the right chemistry.

- **The nonprofit mission's must be aligned with the company's vision—no exceptions.**
- **Negotiate directly with the senior executive of the nonprofit.** Just like with the company's senior management, involving the top executives and governing board of the nonprofit reduces the likelihood that the partnership will not move forward.
- **Plan the journey from start to finish.** Part of determining the scope of the partnership is knowing where to start, how to grow, and when to finish. Thinking carefully about each phase of the program will keep things on track.
- **Work with the nonprofit on the proper metrics to capture.** Determine in advance what metrics to collect and help the nonprofit set up the necessary systems to capture them.
- **Put it in writing.** A legal contract is the best way to ensure clarity on both sides.
- **Assign a staff person to coordinate with the nonprofit and ask the nonprofit to do the same.** Communication is easier when funneled through appointed contact people.
- **Get final agreement from all stakeholders.** Senior management signs off on everything, but any stakeholder that will work on the partnership should also review the final agreement to ensure buy-in.
- **Keep the review process short.** A prolonged approval process can slow momentum or cause the partners to miss deadlines.
- **In the development stage, be flexible.** Not everything will go smoothly, so be patient and flexible. Openness to feedback will build trust between the partners.
- **Pilot the program before rollout.** A pilot gives the partners a chance to work out the kinks in a program before rollout. This is particularly important if the planned program is national.
- **Keep communications at the forefront.** Clear communications between partners and to internal and external stakeholders will go far in building credibility and trust with all stakeholders.
- **Practice continuous improvement.** The purpose of measurement is to find areas in which the program is working, and areas that need work. A program can get stale without efforts to continually improve it.
- **Exit with grace.** Have an exit strategy in place at the beginning of the partnership and share it with the nonprofit so there are no surprises.

Challenges

Building a strategic partnership is extremely rewarding, but not without complications. The research shows that challenges usually arise around one of four things: communications problems, the complexity of the partnership, the differences between how corporations and nonprofits operate, and people issues.

Communication: Poor communication leads to misunderstandings, which can cost time and money. Lack of clarity and lack of transparency are different problems but both can create confusion.

Complexity: Complexity comes from having multiple stakeholders or multiple partners, as well as from global programs. The more stakeholders or partners, the more people need to be kept informed and the more opinions are expressed.

Operational differences: It's no secret that corporations and nonprofits do not operate the same way. In the research, both companies and nonprofits expressed frustration with each other when it comes to timelines for work completion. And expectations of what can be accomplished within the given budget.

People issues: Strategic partnerships are run by people, and people can be challenging. Not having the right person on either end, not having enough people, or having a revolving door of people can all be deadly for a partnership.

Conclusions: The Secrets to Creating High-Impact Strategic Partnerships

The 13 steps, best practices, and challenges boil down to nine secrets that are the keys to creating a successful partnership.

Secret #1: Senior management must be on board. Without support of the top levels of both the company and the nonprofit, the partnership will not get the proper attention outside the community relations department.

Secret #2: The partnership must be aligned with the company's corporate citizenship goals as well as the mission of the nonprofit. When mission and vision are aligned, the chances of a successful partnership increase exponentially.

Secret #3: The right partner will make a partnership; the wrong one will break it. The "right" partner is one with mission alignment and the chemistry that allows the two to work together closely over a long period of time.

Secret #4: Roles and responsibilities must be clearly defined and understood by both parties. The purpose of clear roles and responsibilities is to have accountability at both organizations.

Secret #5: Communications cannot be an afterthought. The best partnerships have a communications strategy that reaches all stakeholders.

Secret #6: Outcomes and impact are measured against goals and objectives. To create a climate of continuous improvement, measure the results of the program against the goals and objectives and strive to improve each year.

Secret #7: Although employee engagement is desirable, it is not required. Unless volunteers are needed to run the actual programs, an employee engagement component is optional.

Secret #8: The scope of the partnerships must be in line with resources on both sides. There is no rule that says that strategic partnerships need be big, complicated affairs. Large, complicated partnerships can actually be less effective than smaller, more manageable pairings.

Secret #9: It doesn't take a lot of money to have a successful strategic partnership. Partnerships in the report have been formed with very little cash investment. The case studies show that success is not correlated to the size of investment. It is the difference that the partners are making, not the size of the check, that counts.

*   *   *   *   *   *   *

Thirteen steps, 23 case studies, more than a dozen best practices, and nine secrets comprise the collective knowledge of the corporations and nonprofits interviewed and of LBG Associates on strategic partnerships. Readers of this research report are well-equipped to create a new partnership or improve an existing one. Start at the top with senior management, choose the right partner, plan well and into the future, pilot then launch, evaluate, improve and keep improving, until the time is right to exit. To purchase the full report, visit www.lbg-associates.com or call 203-325-3154. ❖