NGO Briefing Part 1: Powerful partnerships - Know thy partner

Posted by Oliver Balch [1] on May 5, 2011

Corporate-NGO relationships are like relationships of any kind – they work best when both parties know each other's roles, share goals and communicate openly

Sandstone makes a mean garden path. It also makes for harsh childhoods. Hard landscaping company Marshalls became aware of the stone's darker side when it began looking more closely at its supply chain.

In the wake of a human rights impact assessment back in 2005, the UK-based company first learned of child labour in some of India's sandstone quarries.

In years gone by, such a revelation would have met with one of two responses: brush the issue under the table and hope it never comes to light, or (less likely) cut all ties and seek out an alternative supply options.

Marshalls chose a third, more progressive route: strike a partnership with an NGO to address the issue. Increasingly, companies are looking to draw on the expertise of voluntary sector organisations to resolve the ethical or environmental issues that they face.

But how should such partnerships be structured? And what works to keep them on the right track?

Clarity of roles

Successful partnerships depend on certain cornerstones. One is an early understanding of respective roles.

Businesses do certain things very well; they create value, solve problems, secure efficiencies, and market products and services. In other matters – educating children, resolving inner-city violence, saving the whale – they demonstrate less expertise.

It is not the private sector's job to "solve the world's problems", says Chris Harrop, group marketing director at Marshalls. In his company's particular case, it's to ensure child workers are not present in the supply chain.

Who is best set to achieve that? Not the company. Harrop says: "We could spend our whole life trying to sort out child labour problems in India."

Instead, the company turned to Hadoti Hast Shilp Sansthan, a local non-profit group. With Marshalls' support, it has introduced a series of welfare programmes for quarry workers, such as health camps and schooling for their children.

"The company should do what the company does well," says Sue Adkins, international director at UK membership group Business in the Community.

She cites the example of IBM's World Community Grid project. This initiative sees computer users volunteering processing power from their machines to a non-profit computing grid. The donated computational power is used to accelerate humanitarian research investigations, reducing research time from years to months or weeks.

In the first three months of the project, 44 potential treatments to fight smallpox were discovered – a feat that would have taken well over a year to achieve under traditional research patterns.

"It's a case of bringing together what people do well. That has an incredibly powerful effect," says Adkins.

Successful partnerships also require the space for both parties to exercise their own skill sets. It necessitates a relationship based on mutual trust.

"Any partnership that is overly prescriptive and overly managed can miss some of the interesting opportunities to evolve and change along the way," says Chad Bolick, director of global partnership development at California-based Business for Social Responsibility.

"When a local NGO has an action plan that has been agreed and signed off … then the NGO should be allowed to do its job. Too much bureaucracy can stifle innovation," he adds.

Clear objectives

Clear objectives are a second cornerstone. These don't just happen. A partnership's goals need to be deliberated, debated and agreed upfront.

"When I see partnerships that are not working out it tends to be because there was a lack of clarification at the outset about what each partner wanted to get out of the partnership," Bolick says.

Determining the ground rules for working together, defining who brings what to the table (including skills, time, knowledge and money), establishing formal targets and outcome measures – all these form the "reference point" for any NGO-corporate partnership, says Andrew Wilson, director at the London-based consultancy firm Corporate Citizenship.

"Unless you set these factors down in writing at the beginning, you'll never be sure if you're on track to be successful," he adds.

Answers to these questions also provide a governance framework for partners. This helps manage expectations and resolve conflicts should they arise.

In the case of Marshalls, the company and its charity partner hammer out a detailed list of objectives every year. Hadoti reports against these on progress on a monthly basis.

The third cornerstone is presupposed by the first two: namely, open communication. As with any relationship, regular and honest dialogue is critical to a partnership's success.

"If you don't have that honesty and clarity about what the individual organisations require and expect from the partnership, that's where you get hidden objectives," warns Corporate Citizenship's Wilson.

In very practical terms, the very best partnerships eschew a hands-off approach typical of more traditional philanthropic donor-recipient models.

Harrop puts it bluntly: "This is not a PR game where you can send a cheque and expect photos back."

The imperative is on both parties to listen, especially in the case of the company. Large developed-world companies have to leave aside their "white, middle class approach", Harrop says.

He cites the example of Marshall's support for five separate schools for quarry workers' children in India. The company presumed that the immediate need would be educational materials and classroom resources.

Conversations with its local partner revealed otherwise. Shoes and school meals emerged as the key essentials: that way, children could walk to school and would stay once they arrived.

The importance of avoiding a presumptive approach in corporate-NGO partnerships is paramount, according to Klara Kozlov, senior advisory manager at the Charities Aid Foundation (CAF), a non-profit broker between NGOs and donors.

She gives the example of volunteering. Many companies assume that charities will want an employee volunteering programme as part of a partnership. Not all do. "[Companies] fail to realise the huge resourcing requirement that these take to set up," she says.

Mutual benefit

Partnerships are not static. Like personal relationships, they evolve. Recent years have seen a marked shift in how companies – and NGOs – approach corporate alliances.

For starters, the perceived value of partnership approaches has increased. It's much more widely accepted now that sectors must work together if the world's most intractable problems are to be resolved.

Ros Tennyson, senior partnership adviser at the International Business Leaders Forum, says that makes partnerships a "must" rather than a "nice, optional extra".

To an extent, government is forcing the hand of charities. The economic recession has seen an element of public service provision shift to the third sector, just as its donor base is shrinking. That has forced charities to think more innovatively about partnership approaches.

At the same time, companies are becoming more business-like about their charity tie-ins. As corporate budgets tighten, every aspect of a business needs to prove its worth – partnerships included.

CAF's Kozlov maintains that it is common for a company to adopt a "more thoughtful approach" that considers how the charity could help it – as well as vice versa.

"That leads to a much more mutually beneficial relationship, and therefore more valued relationship … rather than a more tokenistic, charity-of-the-year type of approach," she argues.

UK retailer Marks & Spencer provides a case in point. In 2008, it tied up with anti-poverty charity Oxfam to launch Clothes Exchange. Under the scheme, customers who donate clothes to Oxfam (including at least one M&S item) receive a voucher worth £5 to use against their next M&S clothing purchase of over £35.

Oxfam and the environment win, as the clothes are sold on and are not sent to landfill. But, as importantly, M&S gains through customer loyalty and possible additional sales.

Such an approach is not new. Companies have looked to take as well as give in the past. Cause-related marketing schemes are the most obvious – and extreme – case in point. What is different is the frequency: the give-take mindset is fast becoming the norm, not the exception.

Nor is it just companies that are getting more clinical. NGOs too are considering what is in it for them. Companies will have to show how their support will help a non-profit partner achieve its objectives, whether that be delivering a service, raising the profile of an issue, or even, in some cases, adding to its membership.

The tables are turning. As Corporate Citizenship's Wilson says, it is no longer a buyers' market for companies. They don't have the largesse to pick whichever partner they want. They too must prove their merit.

Top tips: building a successful partnership

- Take time in the "**scoping**" phase – this ensures a full **understanding** of each other's values

and drivers.

- Relish and build on **diversity** – each party brings unique, valuable contributions to the partnership. Appreciate these.
- Avoid perceived **inequities** – just because a company may bring the financial resources to the table, does not mean they should dominate.
- Allow for **innovation**, **flexibility** and the **unexpected** – don't fix things too soon or you risk missing unexpected and potentially higher value outcomes or possibilities.
- Be **open** and invest **time** – true partnerships are more than just a collection of projects. While it's important to be delivery-focused, give time to foster partner relationships.

Source: Ros Tennyson, senior partnership adviser at the International Business Leaders Forum and director of IBLF's Partnership Brokering Project.

Useful websites

Charities Aid Foundation: www.cafonline.org [2]

Business in the Community: www.bitc.org.uk [3]

Business for Social Responsibility: www.bsr.org [4]

Links:
[1] http://www.ethicalcorp.com/users/oliver-balch
[2] http://www.cafonline.org
[3] http://www.bitc.org.uk
[4] http://www.bsr.org