

# How to develop more creative and strategic corporate partnerships

*Relationships with the private sector are no longer just an opportunity for a corporate CEO to be photographed holding a big cheque, says Paul Ridout.*

**“MANY BUSINESSES EXPECT MORE INFORMATION FROM THEIR CHARITY PARTNERS ABOUT THE IMPACT OF WHAT THEY ARE DOING”**



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IT USED to be that a partnership between a charity and a business was a fairly simple relationship: a company looked for the warm glow of helping some worthy cause, more often than not a household name charity. The business brand was enhanced and some good PR created. The corporate social responsibility (CSR) box was ticked.

Charities were willing to agree to a lot of things, such as accommodating one-off volunteers and participating in publicity events, if it brought the cash in to support their work.

For some, the relationship has progressed considerably, with the focus on far more creative and long-term strategic partnerships. However, there is still a way to go and many corporate partnerships are still characterised by hackneyed publicity pictures showing a smiling CEO holding a big cheque.

Managed through charities' fundraising departments, the main focus is often still on generating revenues. There is little reference up the line to the trustees to make sure that there is good alignment between the charity's aims and the reputation

of the businesses from whom it receives financial support.

## ADOPTING A DIFFERENT APPROACH

However, businesses are getting better at recognising that there are major issues in society and in the environment that will affect their competitiveness, profitability and future survival. To influence outcomes, they can choose to support and work alongside charities and other voluntary sector bodies that have specialist knowledge and experience in these

## Practical and legal considerations

**Volunteering:** It is becoming clearer to many charities that it is better if people stick to what they are qualified and trained to do. Unless you know that the individual has a particular specialism outside their day job, you wouldn't want to send a lawyer to provide catering services in a shelter for homeless people.

**Exclusivity:** If the corporate is paying hard cash for a relationship that is meant to enhance its brand, there may be an expectation that the relationship will be an exclusive one and that brand enhancement is not diluted by being shared with others. Businesses will not be pleased to learn that the charity they support has a similar relationship with a competitor.

**Commercial participation rules:** It can be quite hard to spot when a partnership falls within the scope of these rules. If a business partner wants to be able to tell its customers that by buying goods or services from them, money will go to a charity, a particular form of agreement needs to be put in place that complies with Part 2 of the Charities Act 1992. Care needs to be taken to ensure that the statements made to customers contain the prescribed information. That can be particularly tricky when the total amount receivable by the charity will only emerge further down the line.

**Protecting brands:** Both parties need to be confident that their brands will not be tarnished, and:

- Develop the degree of commitment

and trust that makes reputational damage less likely; and

- Carry out a certain amount of due diligence on each other to inform their decision to proceed.

### Putting a value on what the corporate partner gets:

If partnerships between businesses and charities are becoming more fluid and creative, combining social impact with commercial benefits, it may become increasingly difficult for the parties to measure things in pure financial terms. This can be a challenge, but it could also give charities greater freedom to strike a deal that combines a financial contribution from the commercial partner with social impact that is delivered by the partnership.

areas. Legal & General has, for example, worked with Age UK, Mytime Active and Macmillan Cancer Support on projects that inform insurance product development.

This runs parallel with the growth of socially-aware enterprises that a) recognise the long-term value for investors, employees and others in making their mainstream activities work for the benefit of a wider range of stakeholders and communities; and b) see the work of charities as something that can complement their business aims, and not just as a CSR ornament for their commercial activities.

## “ Some of the problems are due to a mismatch of values ”

This approach can be seen in the shift away from “charity of the year” arrangements, and towards a more strategic process for selecting charity partners, often based on the sector in which their business works. For example, Tesco is working with charities that tackle health issues such as heart disease, diabetes and cancer.

We have also seen some very specific partnerships where there may be substantial direct benefits to employees. For example, enhancing staff welfare: Mind offers its corporate partners a range of ways of engaging with the charity, ranging from staff fundraising opportunities to awareness-raising campaigns and workplace mental health training.

### THE IMPORTANCE OF THE RIGHT BRAND

For charities, businesses are often able to provide access to skills, energy, reputation and influence. Partnerships can provide charities with a platform for showing the impact of their work to a much wider audience, and with the benefit of validation by a prestigious corporate partner.

Understanding how branding works will help charities to position themselves and their values in a wider market by associating themselves with resonant commercial brands that project relevant lifestyles, fashions and attitudes.

## Examples of corporate partnerships

### Network Rail and The Samaritans

In 2010, The Samaritans teamed up with Network Rail to launch a successful programme to reduce suicides on the railway and support the people affected.

Samaritans has since trained more than 16,000 rail staff in suicide prevention and support, and these staff have gone on to make more than 400 life-saving interventions. Within the first year alone, the number of railway suicides reportedly fell by 13 per cent, while Network Rail made a saving of £1.9m on the basis that the average suicide costs the company £63,000.

### Nivea and Cancer Research

Launched in July 2012, the partnership delivers an annual public health campaign on sun safety, while more than £3m has been donated to fund Cancer Research’s skin cancer research.

### Belu and Water Aid

In 2011, WaterAid formed a partnership with Belu Water, whereby the bottled water company

agreed to donate 100 per cent of its profits, with a minimum commitment of £100,000 per year. To date, Belu has given over £2.2m.

### The Football League and Prostate Cancer UK

Prostate Cancer UK is the official charity partner of the Football League. Joining forces with the Football League is helping Prostate Cancer UK to reach its target audience. Last season was the first time that a charity’s logo – the Man of Men logo – was included on the strip worn by every player in a domestic football league. The partnership drives people to sign up to Prostate Cancer UK’s Men United movement of supporters, which has reached over 200,000.

### Pampers and Unicef

In 2006, Unicef and Pampers united to launch the first “1 pack = 1 vaccine” campaign to help eliminate maternal and new-born tetanus worldwide. Since then, they have provided 300 million vaccines, eliminating the disease in 15 countries.

### AVOIDING A MISMATCH IN VALUES

Some of the problems that have arisen in charity partnerships have their origins in a mismatch of values and behaviours. That risk may be heightened where decisions about partnerships are taken largely by reference to the cash on offer, with little consideration for the danger of the charity’s brand being contaminated by the conduct of its business partner.

Readers will probably remember the fall-out from the arrangements entered into by Age UK Enterprises Limited and E.ON, which were raising £6m a year by promoting an energy tariff to older people which was more expensive than others available. Here the charity discovered some of the reputational hazards of engaging (albeit through a subsidiary) in a volatile and potentially confusing marketplace.

Problems of this sort could be avoided if the parties enter into discussions with the right combination of frankness and ambition about what they want to gain from the relationship. Businesses don’t need to dress up their involvement as pure altruism, and charities don’t need to be bashful about identifying the prizes they are looking for.

### TRANSPARENCY

Having a stronger focus on the commercial benefits of charity partnerships means that many businesses expect more information from their charity partners about the impact of what they are doing. Of course, it goes both ways, and charities are entitled to ask their commercial partners what benefits the partnership is providing to the success of the business and the wellbeing of its workforce. ●