



# THE REAL DEAL

In part three of our series on SMEs, we look at forming partnerships that last.

In the last two articles, we explained the imperative around SMEs and why you need to start formulating a plan, and then we revealed a handful of the thousands of SMEs that are rising to their social impact mission.

Now it's time to get into action. Here are the seven most common questions we are asked about partnering with small to medium-sized enterprises. Let's begin!

### 1. HOW DO WE FIND SMEs WHEN THERE ARE SO MANY OF THEM?

The chances are you already know plenty of them. Hidden in your donor database are the owners, managers and CEOs of some sizeable companies, but you haven't noticed them because they only give you \$20 per month.

Some thoughtful database mining can unearth some buried treasures – influential people who already like you, support you and give to your charity. You may be sending them a prompt for tax time donations, but you probably haven't thought about how to engage their businesses as well.

We looked at the database of an international aid charity and found the CEO of a multinational company was giving them \$600 per year. No-one had thought to approach him about a potential business partnership – he was just another name on the mailing list. It's also a very different conversation about a business partnership than a personal gift.

In many cases, the SMEs will find you, often because they already have a personal connection to your cause. But you need to understand what you can offer a business and be ready to respond.

The CEO and founder of Wynstan Blinds lost his beloved wife to ovarian cancer. When he approached Ovarian Cancer Australia offering support, it came from a deeply personal motivation to help others with the disease. Several years later, Wynstan provides campaign support, cause marketing, awareness and in-kind support that is invaluable to the charity.

### 2. HOW DO YOU ENGAGE AN SME WHEN IT DOESN'T HAVE A CSR DEPARTMENT?

True, a CSR department is a luxury for an SME. But even if it does, a CSR manager does not usually make the final decision on a partnership.

If you have nurtured a warm relationship with the business owner/manager, then you get straight to the decision maker. If they were already on your database, they know you and like your work. Half of the battle won already!

The partnership between Baker's Delight and Breast Cancer Network Australia started over a conversation with owner Lesley Gillespie at a school presentation. Some \$15 million and 5,000,000 pink buns later, it's been a transformational partnership driven by the business owners.

### 3. HOW DO WE KNOW IF THEY ARE A GOOD FIT?

This is the bit where you need to do your homework. Before you make the first approach, you have to be ready and dressed for the

occasion. That means working on the following four elements:

**Strategy:** Do you know where your charity is heading and where a business partner might fit? If you can't describe your own journey, how can you inspire a partner to come along with you?

**Cataloguing your assets:** This is about understanding your own strengths and what you have to offer to a partner. You need to be able to describe to a business the benefits they receive from partnering with your charity, otherwise you'll be like the world's worst speed date and talk about yourself all night.

A business will expect that you need money and support, but they need to know what you can offer them in return. You don't need to have a big brand; it's more about finding the synergies between your organisations. SMEs tend to have tight knit teams and often look for staff engagement opportunities. St Kilda Mums, a group which recycles baby essentials to reduce waste and help families in need, has a queue of businesses wanting to work with them as they offer hands-on volunteering opportunities for teams every week.

**Value proposition:** Which is simply a fancy way of saying, 'What makes you special?' With 54,000 registered charities in Australia, you need to tell a compelling story about why you're different.

**Identifying and researching your prospects:** If you know where you're going, what you have to offer and what makes you special, then you'll be able to identify the types of businesses that will be the right fit for you. You might start with broad categories and then narrow down a target list through research. It's not as daunting as you may think – you'll be amazed how much information is publicly available online.

Doing your homework means that you're ready to engage with businesses and have a clear idea of why they align well with your organisation. Make it easy for them to say yes!

### 4. CAN'T I JUST MAKE THEM PART OF AN INDIVIDUAL GIVING STRUCTURE, WITH EXTRA BELLS?

Partnering with businesses, large or small, is all about relationship and alignment. It's a marriage, not a speed date. If you've done your homework about what you have to offer and which partner is the right fit, then why would you offer a regular giving product in a slightly fancier envelope? You'd be turning a relationship opportunity into a commodity.

Anyone with hard-earned dollars to give wants something special, that's tailored for them. You will be missing out on the many things that a business can offer, such as skills, networks, customers, volunteers, long-term funding etc if you approach it like a door-to-door salesman with a suitcase of cheap watches looking for a quick dollar.

When Carman's Fine Foods partnered with One Girl, which has a laser focus on educating girls, they were attracted by their clarity of message, a new audience for their products and the opportunity to support the charity to grow. If One Girl had focused on selling them a

ready-made giving product, they would have missed out on a whole range of benefits over the life of the partnership.

### 5. HOW DO I TAKE THIS UP THE LINE TO MY CEO, TO GET HIS/HER ATTENTION ON THE MATTER?

Often the CEO is already on your case. We have often heard of CEOs leaving a copy of the *BRW Top 200* on a fundraiser's desk with a sticky note saying, "Why don't you call all of these?"

Instead of competing for the same large listed companies, point out the opportunity with the 1.8m-plus SMEs that gave \$8.5 billion in 2015/6. You won't be competing with every hungry fundraiser in town and you'll have the opportunity to build something unique.

### 6. THERE ARE PLENTY OF SMEs. HOW DO I KNOW WHICH ONES ARE GOING TO BE WORTH THE EFFORT?

If you've done your homework, you should know which types of businesses are aligned to your mission. Then you'll need to create a process – a 'partnership architecture' – to decide how much value you can reasonably expect to get from the relationship. You'll need to be realistic about your ROI so you focus on the highest value opportunities. If you haven't created a partnership architecture before, in the future we will be helping more organisations design them.

### 7. HOW DO WE BUILD SMEs INTO OUR PARTNERSHIP PHILOSOPHY AND STRUCTURES?

If you have major donors, then you already know about the importance of nurturing relationships. You know they require support from the top of your organisation, which means an actively engaged board and executive. Again, you're already half way there!

What can you offer a business that will provide value and a compelling, inspiring reason to partner with you? If you combine your relationship skills with the outcomes of the research you've done, you'll build a proposition for the head and the heart, the personal and the business – in other words, a winning partnership. **F&P**



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Julia, Sharon and Linda are leaders in Australia on philanthropy, fundraising and partnerships and are members of The Xfactor Collective – a growing community of specialist consultants and coaches supporting social changemakers with a wide range of strategic support services. The Xfactor Collective runs #AskXfactor Live Learning sessions each week with expert consultants and coaches on hand, including a 'Partnering with SMEs' session.