From £250k to £7m

How to access the untapped potential for corporate partnerships.

In every family you can see the similarities around the Christmas table: the talent for singing, the mops of curly hair or the same lopsided smile. But there's always the one who's a little bit different, who doesn't quite fit the mould, and you never know if they are going to grow up to be an archbishop or an arch criminal. Izzi is a great example. When her high school class had to submit their homework projects, they all had carefully prepared PowerPoint presentations: solid, predictable and safe. Instead of PowerPoint Izzi chose an interpretive performance using sock puppets, made from her repurposed school socks and a black texta. Full marks and a standing ovation for Izzi amid gales of laughter and admiration for her audacity.

It's tempting to see corporate partnerships as the maverick among the fundraising family as they're a bit different, less predictable and not well understood. But diversity is strength, and by embracing what seems to be different you can unleash the untapped potential of corporate partnerships to create something truly transformational for your charity.

WHAT DOES THE DATA TELL US?

The Giving Australia 2016 report tells us that businesses of all sizes gave a total of $17.5 billion, split fairly evenly between large corporates and small to medium-sized enterprises. That's a temptingly large pie for anyone who wants a slice. However, the limited research available indicates that Australian charities earn only 3% of their total income from corporate partnerships, with the bulk of the income earned from government, individual or community funding. Given the competition for the fundraising dollar this seems like a lot of eggs in one basket. Why is this so low, and how does it compare with charities overseas? UK data indicates that the percentage is around 4-5% given the economic uncertainty around Brexit, but crucially the average gift from a corporate partner is a whopping £5 million. Every corporate partnership manager in Australia would be jumping for joy to get even close to that kind of gift.

Is the problem that the true value of corporate partnerships is not being properly captured? Yes, partnerships can yield substantial donations, but there's a whole universe of value around access to new audiences, goods and services, skills, marketing, channels and media that is never acknowledged. I had this debate with a charity CFO years ago when I wanted to account for $100,000 of free legal advice that a corporate partner had provided. He shook his head and told me to put it on a little spreadsheet somewhere – or anywhere – so long as it was far away from his profit and loss system. If you don't measure it, you don't know the true value of what a partnership can generate, which can lead to assumptions that it's not worth anything at all. But $100,000 in pro bono services means that cash donations can be used to advance your programs, not fund overheads.

Consider the wonderful partnership between the Garvan Institute of Medical Research and Vodafone. Together they created the DreamLab app in which Garvan's supercomputer can tap into the unused data capacity of mobile users when they're charging their phones at night. To date we've heard that Garvan's supercomputer is now going twice as fast working on cures for cancer than it ever did before. The value is priceless, but it's never going to fit easily into the typical CFO's profit and loss.

Clearly, data in Australia on the value of corporate partnerships is very likely capturing the tip of a very large iceberg. Don't be deterred by incomplete data: the UK experience shows that there's huge untapped potential in corporate partnerships.

EMBRACING DIFFERENCE

Corporate partnerships are different to other fundraising activities and sometimes it can seem like partnership managers are speaking a foreign language. That's because partnerships are strategic, relationship-driven, bespoke to the partnering organisations and don't fit a formula. It's intuitively easy to understand that sending out 1,000 pieces of direct mail will yield an X% response and an average gift of Y, or that two conversions per day from your face-to-face fundraisers will equate to a certain dollar amount. But corporate partnerships are less predictable, take longer to nurture and need to be aligned to your partner's needs and interests. That's very different from, "Give me a cheque and we'll get on with the work."

But being different to other fundraising activities doesn't mean that corporate partnerships are less valuable – just the opposite. They could be the key to unlocking transformational growth for your charity. Let's consider how to embrace the different ways in which partnerships work and harness not just a larger cheque book, but access to the skills, networks, suppliers, customers and other rich veins of value that come with a meaningful corporate partnership.

INVESTMENT IN TALENT AND TRAINING

We've worked with tons of charities and partnership managers over the past decade and we consistently see the same underinvestment in appropriate partnership

> *"It's time to stop thinking of corporate partnerships as the awkward teenager and realise that the slightly offbeat member of your fundraising family could be the star performer."*

training and talent development. This is the easiest thing to fix and it will make a huge impact on your future partnership success. Here's where to start:

- **Proper training for partnership managers** Fundraisers are often moved from other disciplines like community fundraising or sales and will need some additional training on the specialist skills that are needed for partnerships.
- **Recruit for specialist partnership managers wherever possible and give them room to succeed** Don't try to squeeze partnerships into one day per week of a fundraising role that includes lots of other things – you won't be able to give partnerships the strategic focus that they deserve.
- **Leadership and the board have a really important role in supporting and nurturing corporate partnerships** So don't forget to invest in their education too. This could include introducing them to existing corporate partners, supporting them to make an ask, or simply giving them some basic tools to start a conversation. They are busy people, so make it easy for them to learn.
- **Appropriate training for people recruited direct from corporate roles** They will often have valuable experience in sales, marketing or corporate strategy, but it's a different experience to be negotiating a partnership on the charity side of the fence. Training will help them adjust to the lack of market power and big budgets that they are accustomed to.

Partnerships are built on strong, strategically aligned relationships nurtured over time. Proper training, a supportive and realistic set of expectations and ongoing nurturing of talent is critical to success in partnerships. It takes a while to build a meaningful relationship with a corporate, so invest in your success by supporting the person who will manage that relationship.

A SYSTEMATIC APPROACH

Corporate partnerships aren't difficult, but they require a systematic approach to finding the best strategic alignment and the maximum value. If I had a dollar for every time a fundraising director asked for a list of contacts in the ASX Top 200, I'd be sipping cocktails on a beach in Hawaii. What if you had a list of the home numbers of every CEO? What would you do with it? It would be largely worthless if you hadn't put in place a solid foundation for developing a partnership. That means understanding your own organisational priorities and where you're going. Why should a corporate come on the journey with you if you don't know the destination? It means understanding your assets and what you've got to offer, clarifying your value proposition, identifying the best-fit partnership prospects and building a compelling pitch around the social impact you can achieve together. You wouldn't go out on a hot date in your pyjamas, so make sure you're fully dressed and ready for a corporate partnership.

A good example is Ovarian Cancer Australia, which was struggling to find new corporate partners. We helped them examine their strategic priorities and build a catalogue of their assets and offerings for a corporate partner. This enabled them to identify and fill key gaps, and clarify the prospects that were the best fit. One year later Ovarian Cancer Australia landed four new, significant corporate partnerships.

AMBITION AND IMPACT

In the rush to secure support from corporate partners, it's easy to show them the list of worthy things you do and ask them to pick their favourite one to fund. But corporates aren't always inspired by funding your business as usual – they want to know about your ambitions and the impact you could both achieve. GlaxoSmithKline funded some health programs run by Save the Children UK and donated about £250,000 of funding. But when Save the Children set an audacious goal of saving one million children's lives, GSK leapt on board. Eight years later the partnership is worth over £7 million per annum and growing, and together they have easily achieved their goal of transforming the lives of one million children. Charities should not be afraid to think big, be bold and inspire their partners about the future you can design together.

It's time to stop thinking of corporate partnerships as the awkward teenager and realise that the slightly offbeat member of your fundraising family could be the star performer. You just need to acknowledge that they're a bit different, invest in training to let them reach their potential, and support them to build a solid and systematic approach to partnerships. Then you can move your fundraising from predictable and unremarkable to something truly exceptional. F&P

Linda Garnett & Sharon Dann

Linda Garnett and Sharon Dann are Co-Directors of Stellar Partnerships, a strategic fundraising consultancy specialising in corporate partnerships that offers consulting, coaching and training services. They are also Foundation Members of The Xfactor Collective social impact specialist community.