

# NETWORK

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## The Integration Imperative: Building Ownership and Added Value

Beginning nearly a decade ago, strategic planning emerged as a process for leading companies to develop thoughtful community relations and contributions programs that centered on selected themes, branded and signature programs and a sense of focus.

In the late 1990s, the field became more concerned about measurement and evaluation, which remains a sensitive and key topic today. Building value for community and social investment and demonstrating how these activities contribute to the interests of the company will be increasingly important. But, measuring and evaluation raises other questions, such as: What is to be measured and against what standards or objectives — profitability, performance, social impact, support of corporate values, goals and objectives or something else? If the purpose is to determine how these activities add value to the company, they need to reflect and be integrated with the company.

Management needs to see the overall connection of how programs are related to the company's goals and vision. For management to make the correlation, these programs must at least reflect the language of the business.

Making this happen requires an integration of corporate and community goals and needs. Recent media attention on corporate responsibility may provide one of the best windows of opportunity to integrate these activities into the very DNA of how companies conduct their business in the future.

### STRIKING A BALANCE

Rather than get tangled up in terminology, let's use the term "corporate citizenship" to encompass all those activities that the company engages in voluntarily as defined by the following:

"Somewhere between pure philanthropy and commercial self-interest lies a strategic approach to being a responsible corporate

citizen where a company voluntarily addresses issues important to both society and its business and, at the same time, builds valuable goodwill with key stakeholders.

"Responsible citizenship is not about the process of conducting business. It is about how the company strives to improve the social and economic environments in which the company succeeds."

This explanation includes contributions, community involvement, employee volunteers, product and service donations, business expertise, company and executive leadership and extending the economic power of the enterprise for social good.

### LEVELS OF INTEGRATION

It is important to understand that integration of corporate citizenship strategies should happen at several levels.

1. Integration of vision, purpose

and goals with those of the company.

2. Integration of resources, working together to create synergy and leverage.
3. Internal integration and partnerships with key corporate functions.

## ALIGNMENT OF VISION, PURPOSE AND GOALS

Over the years, we have heard that senior management does not understand what managers responsible for corporate citizenship do, or that they don't seem to have any sense of ownership of these activities. More than likely, this is because:

- ◆ Management has not been involved in the planning or execution of the program.
- ◆ The program's strategy, mission and goals are not perceived as being relevant to their work.
- ◆ The program does not reflect or is not linked to company values, goals or objectives.
- ◆ Communications and promotion of the program's goals and values are inadequate.
- ◆ All of the above.

For management to "get it," they have to grasp how corporate citizenship strategies and activities support the enterprise and how these activities relate to business values, goals and challenges.

For a quick self-audit, place your

corporate citizenship strategies beside your company value or vision statement, goals and challenges, and ask yourself these key questions:

- ◆ What company messages and challenges does your program support or have an opportunity to address?
- ◆ How is your program contributing to or advancing areas of company interest?
- ◆ Are your program strategies described in language similar to that of the company values, goals and challenges?
- ◆ Is your program packaged and defined to make it clear that the contributions and community relations function is part of the corporate team?
- ◆ Do you have a communication plan and process to educate and keep management informed of what role these activities play and how these activities support the culture and long-term interests of the company?

## LEVERAGING RESOURCES

Traditionally, good citizenship has been determined by how much money the company donated. For the most part, leading U.S. companies have moved beyond giving only cash and have added employee volunteer talent, product and services and marketing connections to their portfolio of resources that support causes and issues important to the company and its employees.

Although cash, product, employee

volunteers and marketing talent provide significant resources, there may be others that can affect an issue or a nonprofit partner. Leveraging the power of the enterprise's business and customer network to promote causes and partnerships can be an important tool to brand programs and align companies with worthy efforts.

Aside from the company's core competencies and its connections to the marketplace, every company has a range of staff expertise that nonprofit organizations need to operate effectively. This would include expertise in employee relations and human resources (HR), financial management, communications, marketing, information technology and development and training.

The challenge is to determine what resources and skills other than cash gifts the company could offer community and nonprofit partners. For the most part, few companies have thoughtfully mobilized resources and core business competencies that would be useful in nonprofit or social enterprise settings.

Maybe the question should be: How can we support an organization before we make a cash grant or instead of making a grant? After all, if you are making a sizable grant to an organization, it makes sense to leverage other resources to ensure that the organization and your investment succeed.

Every survey of nonprofit and corporate partnerships The Consulting Network has conducted has demonstrated that nonprofits value a cash grant. However, they value the relationship even more when their corporate partners leverage the contribution with employee volunteers, professional expertise and expanded business relationships.

But successfully integrating and leveraging resources requires a different approach than the traditional grantmaking process.

- ◆ There has to be a cultural change to think “beyond the checkbook.”
- ◆ Companies must commit to the value of team or matrix management.
- ◆ The key internal players have to buy in to the concept and assume a sense of ownership.
- ◆ Companies need to develop a list or portfolio of what resources the company is prepared to allocate under what circumstances.
- ◆ Companies need to establish processes and policies to determine when and how resources will be mobilized.
- ◆ Employees, when involved, need training, direction and coordination.

## INTERNAL INTEGRATION

Historically, corporate citizenship functions have been somewhat isolated from mainstream business. They have been, and in

some cases still are, considered ancillary to the purpose of the enterprise — charged only with fulfilling the expectations and needs of the community, important constituencies and executives.

## Integration is important. Operating in an isolated environment is no longer an option.

In the 1990s, employees became much more important to company outreach, especially at the community level. In many cases, HR departments embraced employee involvement as an opportunity to build pride and morale and to attract and retain workers. Some companies even went as far as linking employee volunteerism and community involvement to employee development and skill building. Unfortunately, not enough HR professionals have grasped the concept.

Similar to the employee link to HR, there are any number of divisions and departments within a company that have a vested interest in the role of corporate citizenship. These functions, if aligned with corporate vision, goals and challenges, have an opportunity to support and partner with other internal business and staff functions.

Other internal partners who would benefit from program integration include:

- ◆ Brand and reputation management.
- ◆ Communications.
- ◆ Public affairs/public policy.
- ◆ Sales and marketing.
- ◆ Field operations.
- ◆ Environmental policy.
- ◆ Research.
- ◆ Executive management.

Internal integration is important because operating in an isolated environment is no longer an option.

- ◆ Corporate citizenship programs are in competition for capital with other departments and operations within the company.
- ◆ Ownership and internal advocates for the program are critical to being perceived as adding worth to the enterprise.
- ◆ Instilling responsible citizenship in the company’s DNA needs broad involvement and commitment by key executives and managers.
- ◆ The execution of an effective program needs to take place at every level; it needs to involve more than a single department.

Just as we need to think of nonprofit groups as external partners in addressing community or social issues, professionals within the company should be considered internal partners in providing expertise and resources to execute successful initiatives. As one manager remarked, “My job is to make everyone in the company think that at least some

part of their responsibility is to be an ambassador or community relations advocate.”

## CREATING AN INTEGRATED PROGRAM

Corporate America has been giving away money for a long time under the assumption that it is expected. The community asks for support, the company makes a grant and both parties return to what they are created to do: serve the community and make more money. The concept of integrating values, resources and internal partnerships into something as simple as making a grant is not easy to grasp.

If you ask any executive if noncash resources should be managed with the same priorities and thoughtful process as cash resources, the answer will be yes. If you ask any executive if the company should apply its expertise, product and services where appropriate to serve social and community good, the answer will be yes. In fact, more senior managers want a comprehensive approach to program focus and resource integration. One of them recently noted, “I know that we are a company committed to being a responsible citizen. I just don’t know what we are committed to.”

What does it take to design an integrated program?

1. Understand the company’s vision, values, issues and challenges.

2. Define what role or vested interest corporate citizenship has in addressing any of these matters.
3. Determine what resources the company can use to support its corporate citizenship initiatives.
4. Gain input and measure management expectations.
5. Weigh opportunities, expectations and capacity to determine where initiatives can have the greatest impact.
6. Ensure that activities flow from a strategic plan, direction or rationale that management owns.
7. After there is management buy in, build internal partnerships.
8. Promote the program with internal and external partners.
9. Execute the strategy.
10. Communicate, evaluate and promote the program to ensure ongoing company commitment, support and participation.

A fully integrated program can benefit a company by:

- ◆ Extending and promoting core company values.
- ◆ Leveraging company resources and expertise.
- ◆ Enhancing company brand, image and reputation.
- ◆ Improving the impact of community and social investments.
- ◆ Exciting management and engaging employees —opening their eyes to the process.
- ◆ Increasing ownership

and ingraining the value of responsible corporate citizenship.

- ◆ Enhancing company relationships with key stakeholders, clients and business partners.
- ◆ Having an impact where employees work and live.

## THE INTEGRATION IMPERATIVE

Given the public view and the state of affairs surrounding corporate responsibility, there is little question that companies will be expected to do more to help solve the problems of the communities and countries where they conduct business. The reality is that those expectations will not be met through corporate financial support alone. Financial resources are limited, and committing to being a responsible citizen requires more than cash.

Integrating key company messages, resources and internal partnerships into a thoughtful approach to being a responsible corporate citizen provides the greatest leverage of company resources. It enhances the public’s perception of the company’s commitment and creates ownership and support within the company. Once you have achieved this level of program integration, measuring performance and evaluating programs will not seem so complex.