

WHO CONTROLS THE PURSE STRINGS?

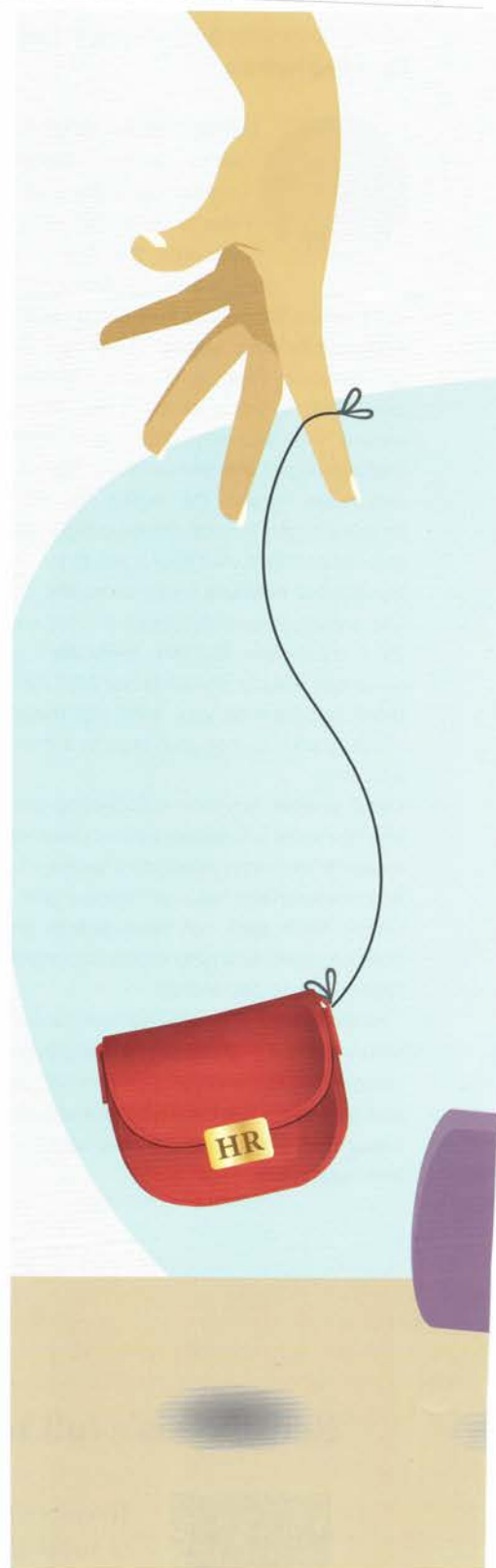
When it comes to securing corporate partners, **Hailey Cavill-Jaspers** reveals an important distinction that will stimulate and accelerate fruitful discussions with corporates, companies, and brands

In over two decades of matchmaking companies with causes, I've seen one frequent error that nonprofits make which prevents them from successfully securing corporate partners. Here's the problem: they view a corporate (that includes a company or brand) as a donor with just one purse (budget), when in fact, there are four purses. Also, nonprofits often see the purse as holding just money when there's usually many more valuable resources that you can access. These include promotion to millions of customers, campaigning, product (gifts in kind, or GIK), specialist skills and services, contacts, and creative agencies — all of which could be potentially transformative for your nonprofit.

Just like the government has numerous departments and therefore many budgets, or an individual might donate from different purses (their will, salary, or family trust) so do corporates. So it's essential to know which purse you're targeting (or, if you're fortunate enough to have corporates approach you, which purse they represent) because the purse type largely dictates their motivation for investing. Once you know which purse, you'll know the language that'll resonate with the purse-holder and what outcomes they want to achieve. Once this is clear, you'll know exactly what to include in your proposal and how activities will be measured. The golden key that unlocks all this vital information is in the job title of the person you're dealing with. Yes! Who knew something as simple as this would reveal so much?!

However, time and again throughout my experience, I've seen nonprofits struggle to get a meeting, or progress a partnership discussion, because they don't know the job title of the person they're seeking or understand the purse they control.

So, let's open the four purses and unpack some gems. >







1 HUMAN RESOURCES PURSE

Out of the four purses, this one holds the smallest budget for your organisation, and yet it can take a great deal of time trying to satisfy the needs of a corporate that's hungry for team building opportunities. My advice would be, unless you have a substantial and constant need for skilled volunteers, avoid investing too much time pursuing this purse. If you do have juicy, meaningful staff engagement opportunities, reserve them for companies genuinely wanting to make an impact or who are also funding your organisation at some level. Providing well-organised, safe volunteering opportunities can eat up a lot of valuable time that could be diverted to more productive activities.

The person holding this purse is usually called manager/director of human resources, people and culture, talent, or recruitment. As soon as you see the word 'people' you'll know the reason they want to partner with a nonprofit — to motivate and inspire their employees, increase pride, expand skills, build resilient and compassionate teams and leaders, reduce turnover (churn), and attract Gen Z and Y employees (for whom this is a critical element in their decision to take a job).

Any partnership funded by this purse will want these types of outcomes, so there's no point talking to them about a sponsorship proposal — it just won't fly!

Interestingly, since COVID-19 struck, this purse-holder's needs have significantly shifted. The demand for meaningful, purpose-driven engagement has risen since staff are working remotely and therefore need motivation and a shot of feel-good endorphins. In parallel, the necessity for both skilled and virtual volunteering has risen.

A brilliant example of this purse in action is demonstrated by Origin Energy, where the Foundation's employee engagement programs are led by Ruth Lee, Manager of Give2 & Give Time. Her LinkedIn headline reflects her broader experience, so be persistent and dig deeper when searching for the right purse-holder! The Origin Energy Foundation seeks and facilitates opportunities for Origin's people to engage with communities in need. This is aligned with the Foundation's broader philanthropic focus on education and includes their grant giving program that provides funding to Australian nonprofits that use education, training, and development to help young people succeed. Staff volunteering is in Origin Energy's DNA; not only do they have one of the highest levels of uptake (42%), but they've also won many awards for their outstanding volunteering contribution to community, including life-changing education programs. In addition to contributing \$32 million over the past decade, they've assisted over 62,000 disadvantaged school students and their staff have contributed over 63,000 volunteering hours.

As part of the Origin Energy Foundation's broader philanthropic commitment to equality in educational opportunity, to encourage more female students to pursue a career in STEM (science, technology, engineering, and mathematics), Origin Energy staff have run workshops with thousands of female students, assembling solar powered lights and prosthetic hands for amputee victims in developing countries. During COVID-19 they reached out to partners to identify needs and offer virtual volunteering. Utilising their multi-cultural workforce, they've translated numerous documents into over 10 languages for newly arrived migrants, plus made vital connection calls to hundreds of people feeling the effects of isolation.



Staff volunteering at Origin Energy is vibrant, flexible and open-hearted, with a 'what if' mantra that's opened up creative solutions and opportunities for multiple causes. And it's paid off. Recent staff surveys show that the Give2 & Give Time program has increased pride (over 80%) and workforce retention.

2 PHILANTHROPIC PURSE

You're probably the most familiar with this one. I've advised the Vodafone Foundation, Mondeléz Foundation and AMP Foundation, and over the years there's been a big shift towards corporate foundations funding a handful of strategic, business-aligned, mission-focused causes that deliver a tangible impact, instead of providing small grants to multiple charities.



While this purse at first glance may be large, it depends on how they slice up the pie. The main motivation for the philanthropic purse-holder is societal impact, aligned to the focus (often called pillars) of the foundation. These pillars can be set at the creation of the foundation, and do not change on a whim (changes may result from a merger, take-over, review process or re-alignment to societal need). The latter is quite relevant currently, due to COVID-19. Some corporate foundations have re-aligned their focus and investment accordingly towards supporting groups disadvantaged by COVID-19. Foundation purse-holders are typically not as nimble as those holding the Marketing or CSR purse, as the Board must approve all investments.

The person holding this purse within a large company is usually called manager /head of foundation, philanthropy, or giving. Within a medium-sized company, it may be held by the CEO, CFO, corporate affairs, or HR.

Almost all corporate foundations require any charity they support to have DGR-1 status. So, if you don't have this, the marketing purse is a better option. The legal position is a little fuzzy, but it's safe to say that a company making a 'donation' or 'gift' through their foundation is not allowed (by the tax office) to derive

a commercial benefit. Therefore, you may want to give them acknowledgment in your communications, but the foundation cannot demand it. Predominantly focused upon societal impact, this purse uses jargon that you're familiar with, such as grants, gifts, and donations.

This purse can also dictate the right time to approach. Unlike other purses, corporate foundations may have a particular time of year when they call for submissions, so if a foundation is on your prospect list, sign up to receive their emails and you'll be notified when the purse is opening.

Check out the Vodafone Australia Foundation. They are doing some cool things around smart technology for health and they provide a great example of partnering with the philanthropic purse.



3 CSR PURSE

The corporate social responsibility (CSR) purse is large and growing. It's also the most complex purse of all, with multiple motivations, intriguing pockets of activity and the most inventive jargon!

What began as a simple and optional idea called the Triple Bottom Line (Planet, People and Profit) in the 1990s has mushroomed into a solid, essential part of doing business today.

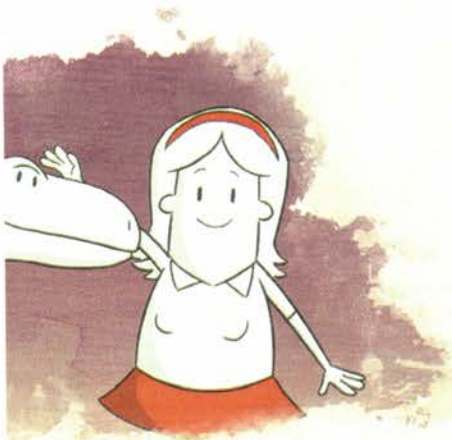
Motivations range from addressing a negative impact, pressure from activists and/or stakeholder groups, maintaining their licence to operate, to reputation in the eyes of consumers, government, staff and public, and cost savings, to name a few. This purse measures societal impact and achievement of commercial goals — both of equal importance.

When targeting this purse, you must do detailed research to determine the company's position on the CSR journey and their priority and focus. Some companies, such as Westpac, are well-advanced and an inspiring global leader in CSR. Other organisations are more internally focused — on things such as increasing diversity, reducing environmental footprint, energy efficiency, labour practices, ethics, and governance — before making any public declarations. If they have a CSR/sustainability report or a large part of their annual report is devoted to CSR, it signals that they're advanced on the journey.

Don't assume all companies are doing CSR — they're not! It could be that they're not ready, are focused elsewhere or have minimal negative impact. Equally, they may well donate and volunteer, but don't have a formalised CSR strategy.

Often the strategy is first initiated by the CEO, legal or corporate affairs, then, when it's ready to be implemented, a specialist might be hired — usually called the Sustainability or CSR Manager.

It's typically larger, more established companies that have a substantial, well-oiled CSR program. Many new companies >



founded by young, socially conscious entrepreneurs (think Atlassian) have doing good embedded into the very fabric of the company.

The language is focused on targets — societal, business or UN Sustainable Development Goals (SDGs). This is where you'll find phrases like circular economy, impact investing, shared value, carbon offsets, RAP (Reconciliation Action Plan), SDGs... the list is long.

4 MARKETING PURSE

This is a very large purse, because it's so fundamental to the survival of a company. It can be bamboozling if you haven't worked in — or studied — marketing. This purse is at the practical, business end of the spectrum, where a commercial return on investment is required. Projects like brand-aligned partnerships, sponsorship, and cause-related marketing (CRM) are funded from this purse.

Using the wrong language with this purse-holder will result in it snapping shut. A marketing or brand manager is focused purely on the achievement of their goals — they're not interested in an 'ask' or 'case for support', which is why so many nonprofits fail to open this purse.

Marketing is all about fulfilling customer needs, and while that used to cover the four Ps (Product, Packaging, Place and Pricing), today it must include another P — Purpose. The conscious consumer movement is now mainstream, and consumers are switching to brands that make them feel good (see the *Conscious Consumer Report 2020*, free to download at BePartnerReady.com). Anticipate a resurgence of cause-related marketing, but more sophisticated, multi-faceted, and deeper alignment. Marketing purse-holders are tasked with differentiating the brand, winning new customers and are responsible for advertising and communications (including PR and digital). Sometimes that includes communicating the company's CSR activity.

Language includes leverage, brand equity/recall/attributes/character/essence, demand generation, awareness, inbound and outbound, buyer persona, net promoter score, and frequency.

The only way a company will align its company, reputation, brand, product or service with yours is if there is synergy. Even if you've cracked open the other purses within a company, this one will remain padlocked unless there's a clear synergy.

Job titles range from Manager or Director of Marketing, PR, Sales, Sponsorship or Brand. Occasionally this is outsourced to their creative/advertising or PR agency. Beware of agencies that approach you who don't actually work for the company, they just want you to do all the work for their pitch.



This purse is perfect for nonprofits that want untied funding, mass market exposure for your cause and behaviour change messaging to a targeted or mass market audience. Being a large or well-known charity isn't as important as you may think — it's more about the fit. However, if a nation-wide stocked and well-known brand is seeking a partner for a cause-related marketing campaign, your cause needs to have broad, national appeal. Funding from this purse is a commercial activity, so usually you'd invoice the company, adding GST. There is no gift or donation in this purse.

A brilliant example of this purse in action is ME Bank, which has a pink everyday transaction account card that contributes 1 cent to its chosen cause every time it's used. The campaign theme is 'Buck it Forward', with cardholders invited to turn every transaction into action with ME's Pink Buck card. To date the card has generated over \$1 million for the National Breast Cancer Foundation. The CRM campaign is an extension to ME's 17-year relationship with NBCF, which also encourages staff to participate in — and fundraise for — the NBCF Mother's Day Classic. The Marketing Manager plans and oversees the campaign and nurtures the relationship with NBCF. The Pink Buck card has been ME Bank's most popular card to date.

What makes this exceptional from my perspective is ME Bank's excellent communication. Research shows that consumers resonate with causes and outcomes, not dollars, and yet too many CRM campaigns focus on the dollar contribution. ME's approach makes the customer the hero and showcases a real scientist representing where the money goes by highlighting the ground-breaking research of Associate Prof. Alexander Dobrovic.

GETTING A YES

With all purses, there can be crossover, such as HR and CSR teams working together, causing the desired outcomes to be varied. In some organisations, all four purses are quite distinct and in others, there's collaboration between them. The essential thing is to understand that each purse has a different motivation, vocabulary, and criteria for a partnership with a nonprofit, social enterprise, or cause. Keeping the 'Four Purses' top of mind will help you to determine why they want to partner with you, what language and conversation style to use from the outset, and what they'll want in return. This knowledge will prevent frustrating, time-wasting conversations and get you to a 'YES' much quicker than you've ever thought possible. **F&P**

Hailey Cavill-Jaspers has advised corporate Australia on CSR and Social Good for 26 years, developing over 50 partnerships for blue-chip companies including Disney, Vodafone Foundation, MLC, SEEK & News Corp. She also leads the team at BePartnerReady.com®, an online training & implementation program that empowers changemakers to win corporate partners.