



# Corporate-NGO Partnership Barometer

Summary Report 2010

Cross-sector partnerships are important to businesses and NGOs. They will become more important – and are set to command greater investment over the next 3 years

## About the Barometer

This is the first in a series of annual surveys of current practice, drivers and key trends in cross sector partnerships. Informed by the input of partnership professionals, the Barometer aims to enable practitioners to make better informed decision about their investment in and practice of cross-sector partnering.

### Methodology

The Barometer is based mainly on a confidential on-line survey of companies and NGOs engaged in cross-sector partnerships.

The survey was supplemented by a series of confidential one to one depth interviews undertaken with eight organisations (four companies and 4 NGOs). These interviews were designed to explore more deeply, some of the surprising insights revealed by the survey.

Additionally, as a final step in the process, C&E invited four leading practitioners (two each from the corporate and NGO sectors) to comment on the draft Barometer. Fieldwork for the survey and interviews took place across June and July 2010.

This first edition has generated some important, intriguing and sometimes surprising information about the importance, nature, challenges, enablers and prospects for corporate-NGO partnerships. The findings are particularly important considering the prevailing context within which businesses and NGOs are operating - the pressures being faced by the UK and other public sector funds, the related shrinking of state provision, the need for business innovation and calls for improvements in NGO efficiency.

We are grateful to all the respondents and interviewees for sharing their perspectives and experiences. We hope this first Barometer helps to inform their and your understanding, investments, practice and reviews of corporate-NGO partnerships. We welcome comments and suggestions for the next edition.

### Sample

Practitioners from 114 organisations completed the on-line survey. Of these, corporate sector respondents were from leading companies (drawn from the FTSE 100, Interbrand's Best Global Brands ranking and Business in The Community's Corporate Responsibility Index). Similarly, NGO respondents were mainly from the leading UK charities - by brand and revenue.

Of the 114 partnership professionals who completed the online questionnaire, there was a balanced split with just over half (52%) respondents identifying themselves as working with an NGO, and 48% working in the corporate sector (including 2.7% of respondents working for corporate foundations).

The respondents came from a variety of roles within their organisations.

Figure 1: Sector representation

“Are you completing this survey on behalf of a “not for profit” organization (NGO) or a corporate?” *Base size: 114*

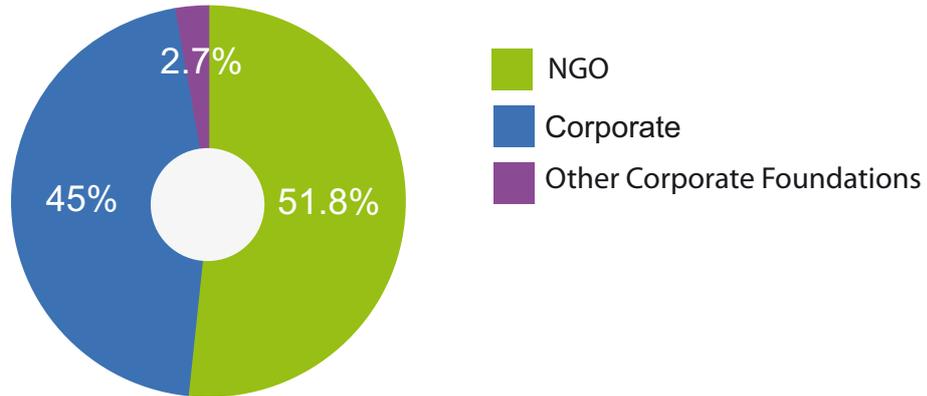


Figure 2: Roles

“What is your role?” *Base size: 94*



## Importance and motivations for partnering

### Cross-sector partnerships are important to NGOs...

Partnerships with businesses are important to the overwhelming majority of NGOs who responded to the survey. Particularly important to NGOs is their engagement in partnerships with companies in order to generate resources (over 87% of NGO practitioners identify resource mobilisation as 'very important' or 'important' to their organisation).

To a lesser extent, NGOs also identify the delivery of their organisational mission as being of importance to their organisation (with 63% rating mission delivery as 'very important' or 'important').

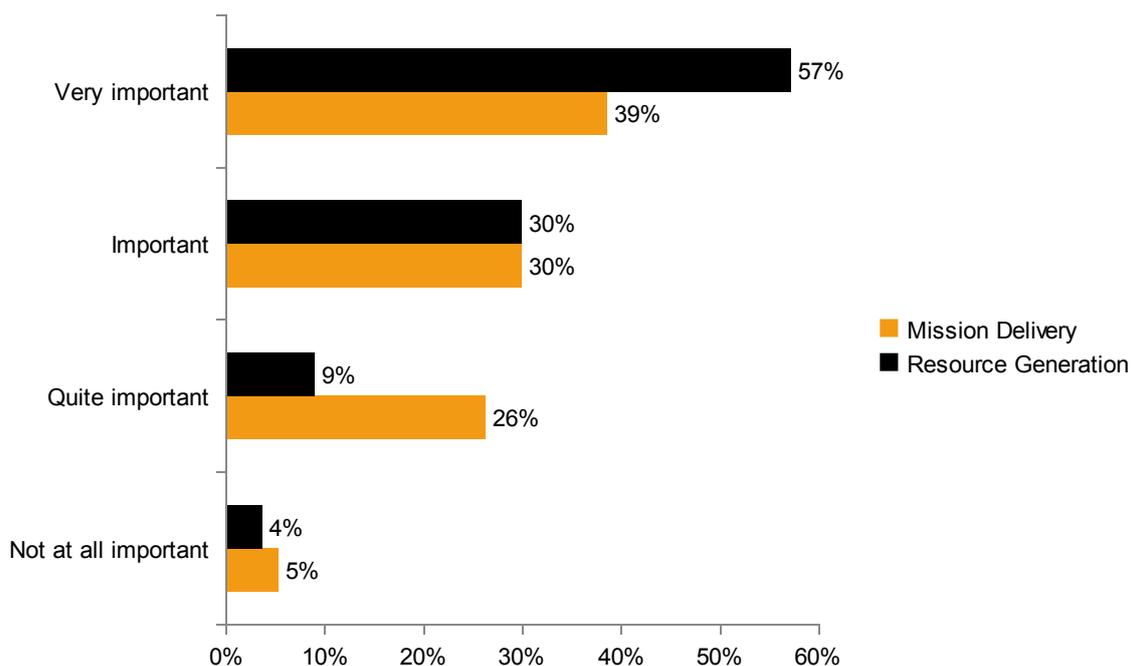
It is notable that NGOs and charities prioritise resource generation over mission delivery in terms of their purpose in partnering with companies. This order of priority is notably at odds with signals from businesses. Companies increasingly state a desire to engage in mission-focused partnerships in which they draw on their competencies to achieve measurable (social, environmental and business) impact for their businesses and partners.

Making the right call in the choice between resource generation versus more effective use of resources remains a topical and important challenge for NGOs.

Figure 3: Importance of partnering (NGOs only)

“To what extent would you say partnerships with corporates are important to your organisation first in delivering your mission and, second, in resource generation?”

Base size: 57



## Cross-sector partnerships are important to businesses

Equally, partnerships with NGOs are important to the overwhelming majority of businesses responding to the survey. Unsurprisingly, partnering with NGOs in order to meet the CSR agenda is particularly important to businesses (96% of business practitioners identify meeting the CSR agenda as ‘very important’ or ‘important’ to their organisation).

To a lesser, but striking extent, companies also highlight partnerships with NGOs as being of importance with regard to meeting

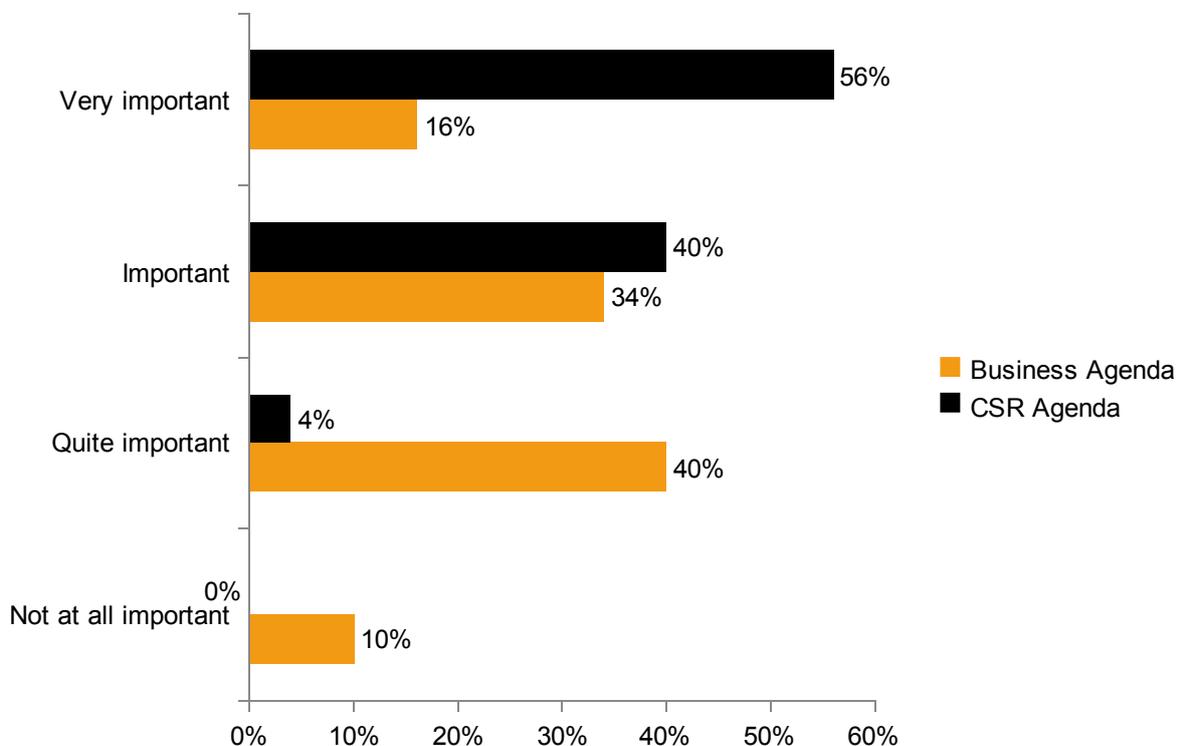
their business agenda (50% of business respondents rate partnering with NGOs as ‘very important’ or ‘important’ to their business agenda).

The clear corporate view that partnerships with NGOs is important to their business agendas may well be a reflection of the increasing pressure on businesses and brands to secure consumer and stakeholder trust.

Figure 4: Importance of partnering (Question to companies only)

”To what extent would you say partnerships with NGOs are important to your organisation first in your overall Business agenda, and, second, for your corporate social responsibility (CSR) agenda?”

Base size: 50



## There are many reasons to partner. Motivations differ and align across the sectors

There are many and varied reasons why businesses and NGOs partner with each other - and many of the motivations for corporate-NGO partnering are similar across sectors.

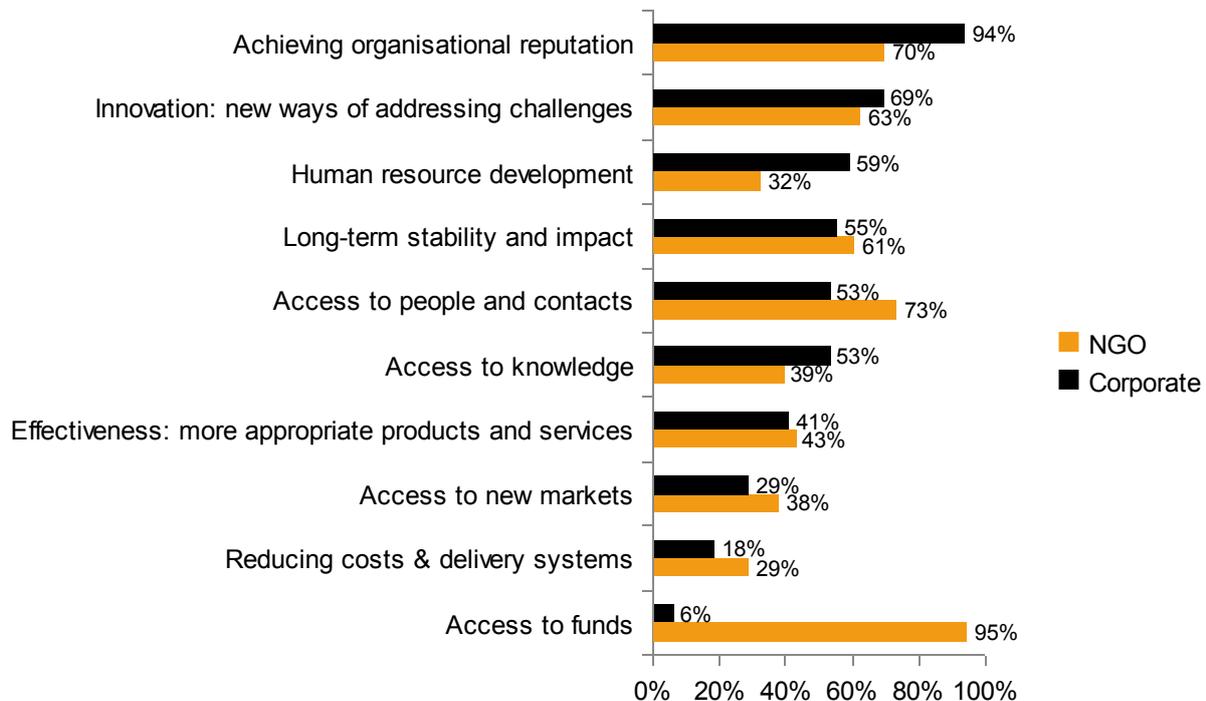
However, there are some significant contrasts regarding why businesses and NGOs work together in partnerships. Possibly the most striking of these in the entire survey was that **95% of NGOs see access to funding as the most important reason for partnering with companies**, followed by the access to people and contacts which arise from partnerships. In contrast, 94% of company respondents

see achieving organisational reputation as the most important reason for partnering with NGOs. This is followed by innovation (finding new ways to address challenges), access to knowledge, as well as the development of professional skills and competencies in their own workforce as important motivations for cross-sector partnering.

Despite these two contrasting areas, there is generally more agreement than non agreement across the sectors regarding their reasons for partnering.

Figure 5: Why partner?

“Why does your organisation engage in corporate-NGO partnerships? TICK ALL THAT APPLY” Base size: 107



## How businesses and NGOs partner

### Most organisations are engaged in quite significant numbers of partnerships

Though NGOs have slightly fewer partnerships than companies, the numbers were not dramatically different between the two sectors. However, we were struck by the number of partnerships currently being undertaken at any one time, with 59% of the cross-sector respondents confirming they are currently engaged in between 11 and 50 or more partnerships.

With almost a fifth of organisations currently reporting involvement in 50 or more partnerships it would be interesting to determine how volume affects effectiveness and relationship management.

Figure 6: Number of partnerships (All)

“Roughly how many partnerships is your organisation involved in?” Corporate and NGO respondents *Base size: 107*

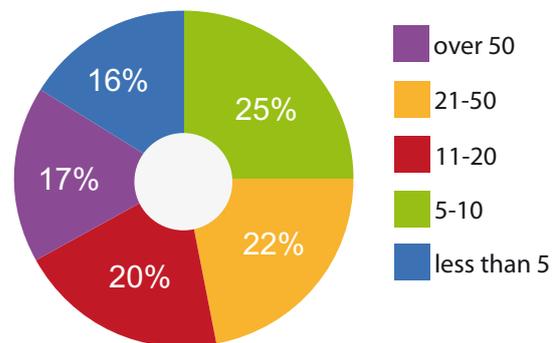


Figure 7: Number of Partnerships (NGOs)

“Roughly how many partnerships is your organisation involved in?”

#### NGO

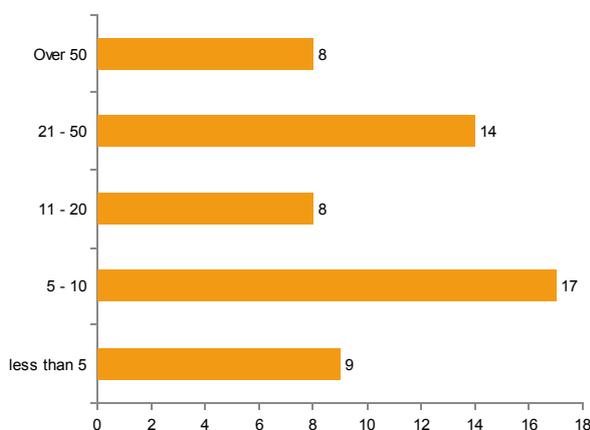
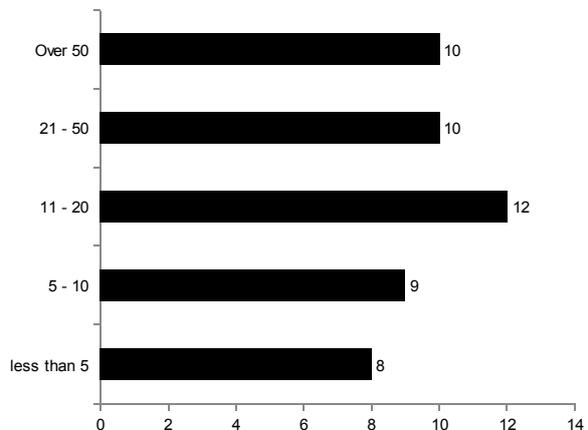


Figure 8: Number of partnerships (Companies)

“Roughly how many partnerships is your organisation involved in?”

#### Corporate



Most organisations implement a range of partnership types

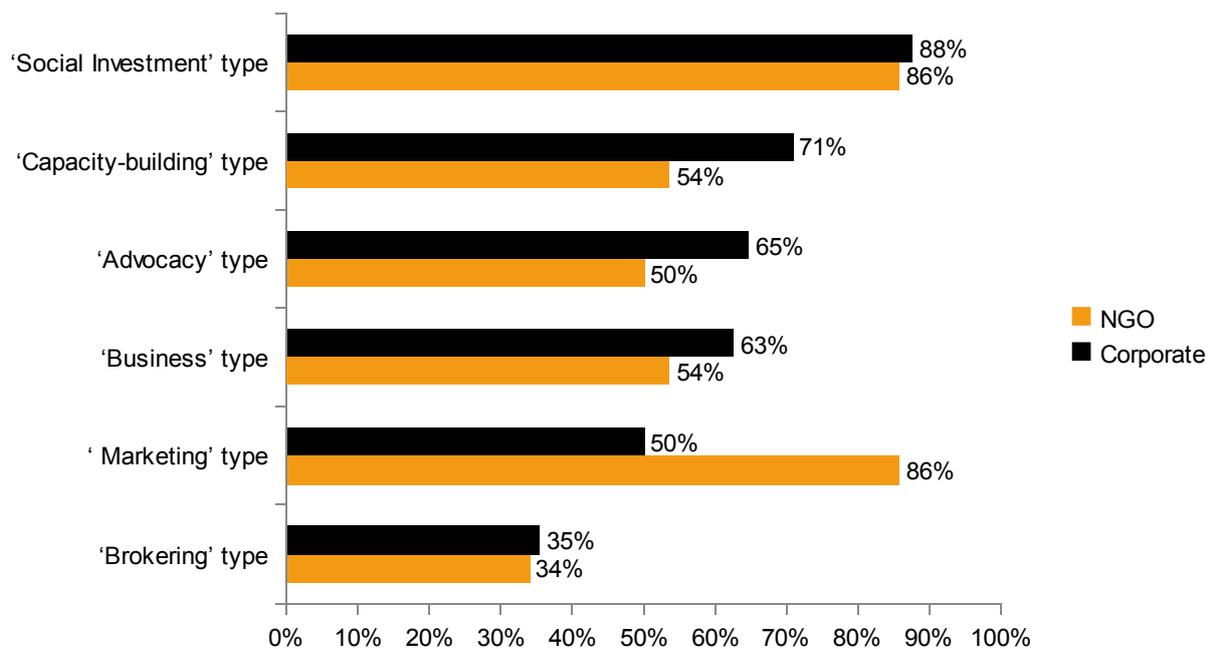
Partnerships rarely fit neatly into a single classification or type. However, it is common for a partnership to demonstrate a leading characteristic. We thought it would be important to assess the extent to which

companies and NGO partnerships align with particular typologies.

Using an adapted form of International Business Leaders Forum’s (IBLF) partnership typologies, we asked respondents to identify the different types of partnerships they currently undertake.

Figure 9: Types of partnerships

“It is common for a partnership to have a LEADING CHARACTERISTIC. The International Business Leaders Forum (IBLF) has identified 7 partnership typologies (as adapted above). As far as you are aware, which of these types of partnerships does your organisation currently undertake?” Base size:106



The survey results suggest that between the sectors, there are actually more similarities than there are differences in the range and types of partnerships undertaken. Both sectors are involved in all partnership types, often at more or less equivalent levels.

**donations, products, gifts in kind, and employee fundraising) are the most popular for both sectors**, and are seen as a favourite with organisations involved in 10 partnerships or less. They are also more popularly practised by companies than other partnership types.

**Social Investment' partnerships (offering and receiving support via cash**

However, ‘marketing type’ partnerships (such as cause-related marketing, sponsorship, product licensing, etc) are of equal popularity with NGOs as social investment partnerships. By contrast, marketing type partnerships are currently a third less popular with companies than they are with NGOs.

**Companies demonstrate a more strategic approach than NGOs**

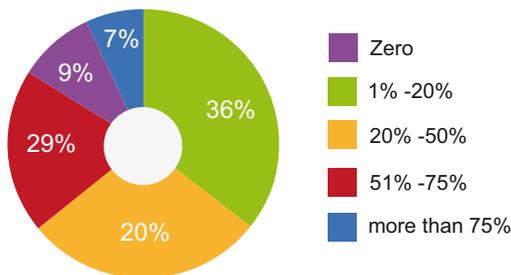
Three-quarters of our corporate respondents confirmed that a fifth or more of their partnerships are strategic, and in fact those partnerships with the greatest strategic elements (>75%) are very much more likely to be undertaken by a corporate than an NGO.

Figure 10: Strategic and non-strategic partnerships

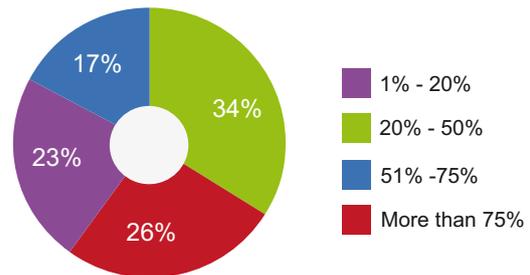
“In approximate terms, what percentage of your corporate-NGO partnerships would you describe as strategic as opposed to “non-strategic” (transactional, tactical)?”

Base size:105

NGOs



Corporates



High levels of confidence in the effectiveness of strategic partnerships

An overwhelming majority of respondents from both sectors (89%) were either 'quite' or 'very' confident that their strategic partnerships are delivering the value expected of them. Levels of confidence in the likely success of their partnerships were broadly similar across businesses and NGOs. However, there are more NGOs (15%) than corporates (4%) within

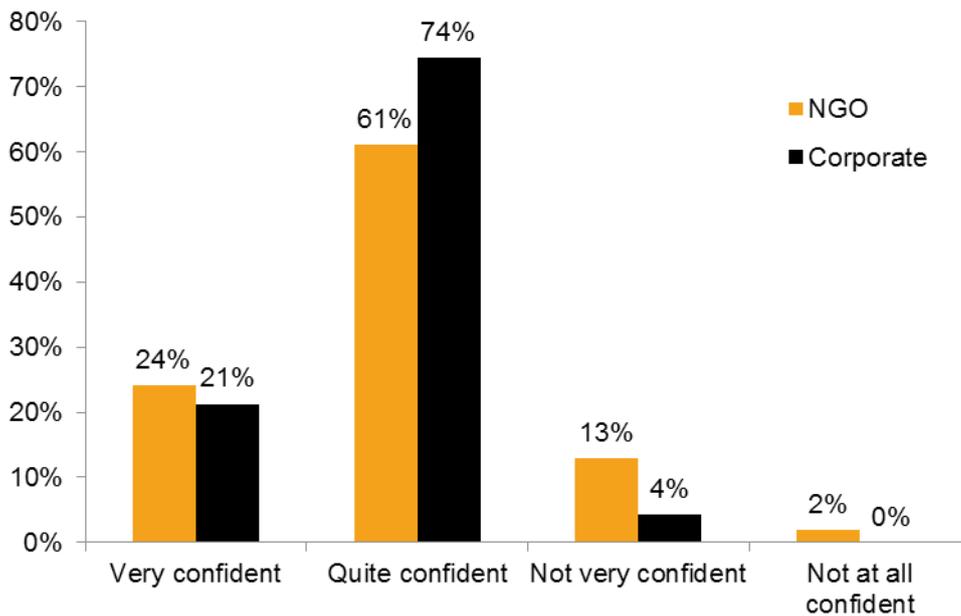
the much smaller sample of those 'not very' or 'not at all' confident that their strategic partnerships are meeting their objectives.

It is striking to note that businesses and NGOs involved in a larger number of partnerships (typically between 11 and 50+) declare a greater confidence in their outcomes and successes compared to their peers involved in 10 or less partnerships (31% of those with over 11 partnerships say they are 'very' confident, compared to 14% of those with 10 or fewer partnerships).

Figure 11: Levels of Confidence in partnerships

“On the whole to what extent are you confident your strategic partnerships are meeting their objectives and delivering the value expected from them?”

Base size: 103



This finding appears to be counter-intuitive to the notion that fewer, better managed partnerships might be more effective, considering that greater resources would typically be required to manage larger numbers of partnerships.

## The most admired corporate-NGO partnerships and partners

Marks and Spencer's collaboration with Oxfam was the most admired corporate-charity partnership with 13 per cent of practitioners choosing it. The partnership is particularly admired as the best example of a partnership delivering on corporate mission for both the business and the charity.

HSBC and WWF's long-running partnership to combat climate change came in second place [8 per cent] Pampers' (Proctor & Gamble) work with UNICEF to provide maternal and infant tetanus shots in the developing world was the third most admired partnership [7 per cent].

Partnership professionals rate these as the most successful partnerships because they innovate, deliver corporate mission, generate resources, help to build brands for the partners and are based on clear mutual benefit.

Additionally, M&S tops the list of the most

admired corporate partner (by a very significant margin), followed by HSBC and Tesco.

Over a third (37 per cent) of the most admired corporate-NGO partnerships were those led by retailers and supermarkets, followed by banks at 17 per cent and soft drinks manufacturers at 7 per cent.

On the NGO side, WWF tops the 'most admired NGO partner' list, just ahead of Oxfam and UNICEF. It appears the scale and reach of these leading international NGOs and the clout they can bring to partnerships enables them to stand out.

However, it is important to note that the list of the most admired is not completely comprised of large organisations. It should be a source of encouragement to smaller organizations that Innocent Drinks, Sightsavers and Breakthrough Breast Cancer feature on the lists.

Figure 12: The most admired partnerships

"Which other Corporate NGO partnerships do you admire?" Base size:93

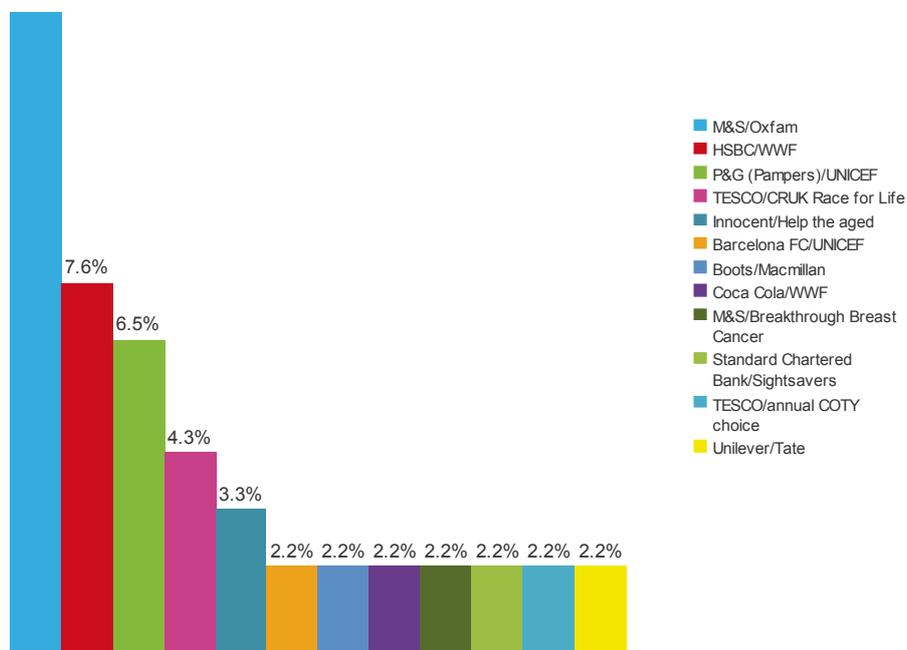


Figure 13: Most admired partnering company

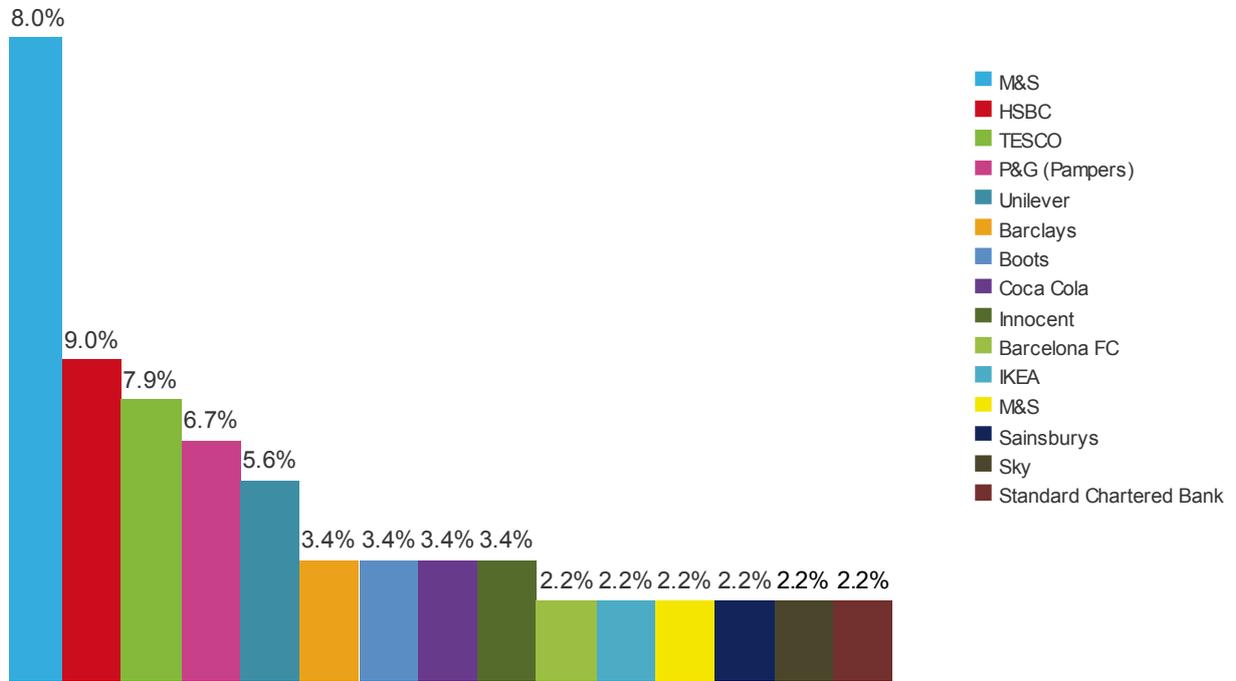
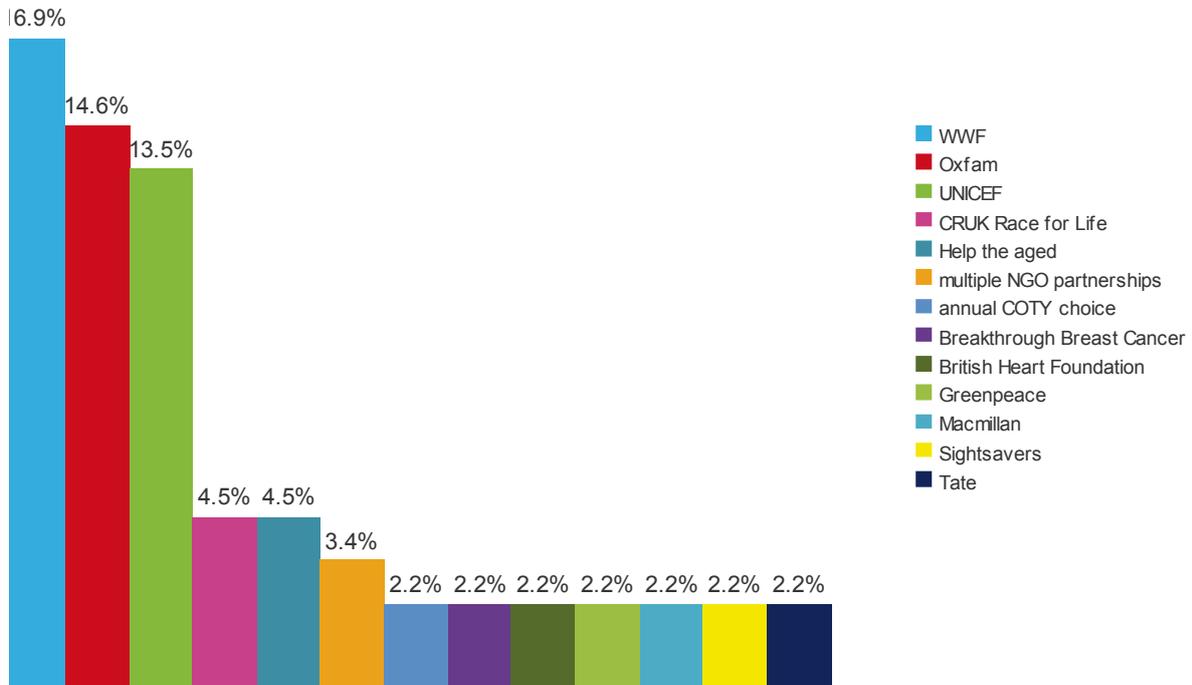


Figure 14: The most admired partnering NGOs



## Challenges and barriers

Partnerships have to overcome a range of challenges and barriers in order to secure success

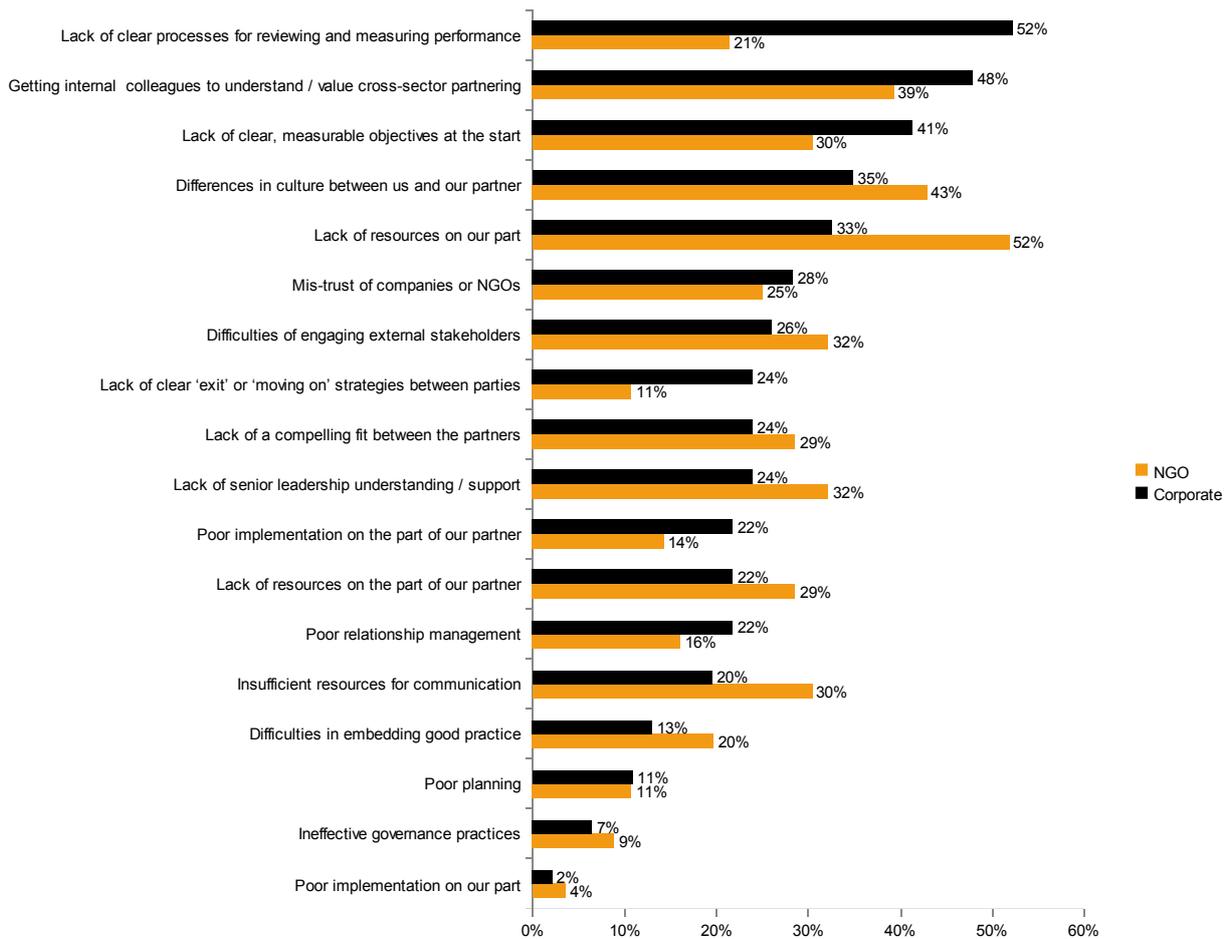
To help us understand the challenges and barriers that most organisations and partnerships often have to overcome, we

identified a range of factors and asked practitioners to tell us which factors they identify as the key challenges or barriers they encounter in undertaking corporate-NGO partnerships.

Figure 15: Barriers to successful partnering

“What would you say are the key challenges or barriers for you in undertaking corporate-NGO partnerships?” TICK ALL THAT APPLY

Base size: 104



The headline points are that:

- Respondents across the business and NGO spectrum identify a wide range of factors as challenges or barriers
- There are significant differences in the ‘key challenges or barriers’ factors most identified by Businesses and NGOs. For businesses, lack of performance measurement processes, getting internal buy-in, and lack of clear measurable objectives (at the commencement of partnerships) are

listed as the most significant challenges or barriers to success.

NGOs on the other hand list lack of internal resources, differences in cross-sector culture, getting internal buy-in, and lack of leadership support amongst their most significant challenges or barriers.

- For businesses the key challenges and barriers appear to be more process related, whilst for NGO’s issues of resources, culture and leadership are more to the fore.

Crossing the divide - sources of tension between business and NGO partners

We wanted to put to the test, six perceived tension factors in partnering, so we asked respondents to rate each tension area from 1 (no tension) to 5 (high tension). Respondents had the opportunity to add their commentary regarding tension areas.

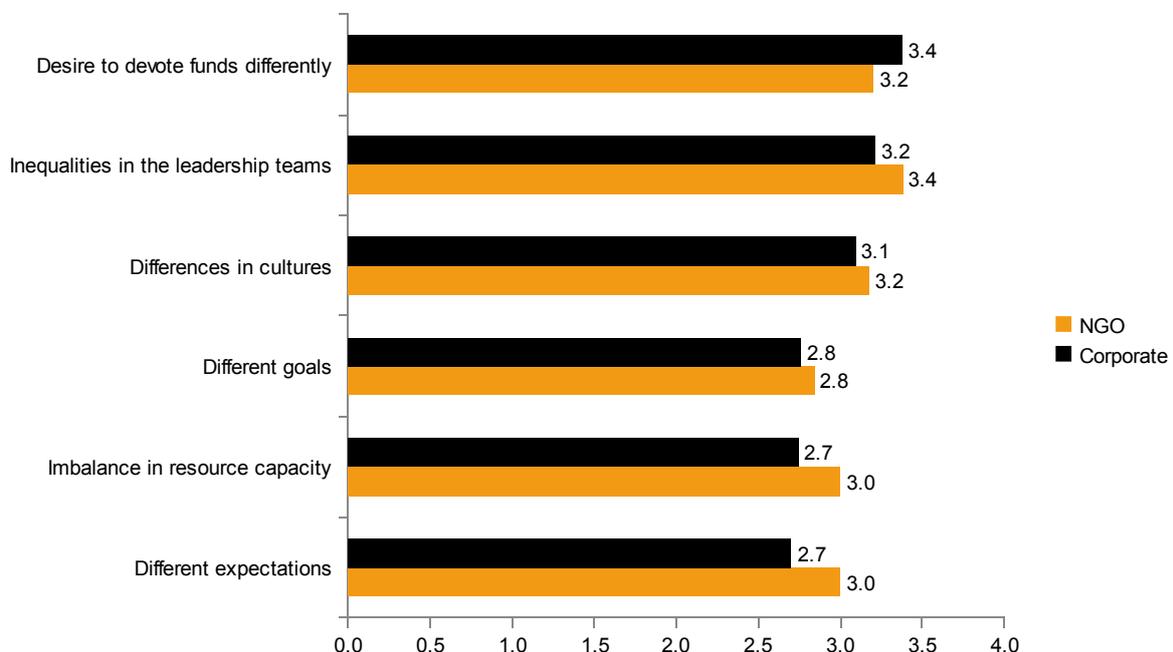
tensions are definitely evident, and yet businesses and NGOs appear resigned and accepting of the fact. The average tension levels in all areas ranged within a relatively small spectrum of between 2.7 and 3.4, and although shown to exist in all the six areas suggested by the survey, NGOs and businesses are in broad agreement on the levels to which they each experience each of these tensions.

On the whole, our findings tell us that

Figure 16: Tension factors

“There are sometimes tensions between Corporates and NGOs in developing partnerships and sustaining good relationships. On the basis of your organisation’s partnerships and using a scale of 1 to 5, where 1 means no tension and 5 means high tension, what score would you give the examples for tension arising from the above?”

Base size: 99



There is often a perceived imbalance in the power dynamic between partnering businesses and NGOs

It is apparent from our findings that there is a clear perception of imbalance in the sharing of power in business-NGO partnerships. This is a view upheld by both NGOs and interestingly, a third of corporates themselves, as being weighted in favour of the corporate partners. Although widespread in all partnerships, it is felt more significantly by those practitioners engaged in 10 or less collaborations. Only a minority of responding practitioners identify the balance of power to be in support of NGOs.

Practitioners offered a wide range of their own suggestions for this imbalance, which it appears, is happening despite the best intentions for it to be avoided.

Several respondents suggest that power imbalances result from the size, resources and reach of companies – a clear sense that ‘cash is king’!

Figure 16: The cross-sector power dynamic (All)

“Thinking GENERALLY of your organisation’s most important corporate-NGO partnerships, to what extent would you say that the “power dynamic” between the partnering organisations is balanced?” *Base size:102*

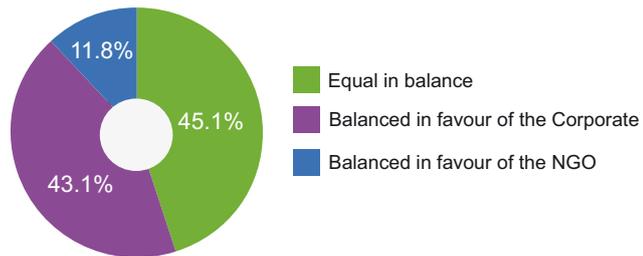
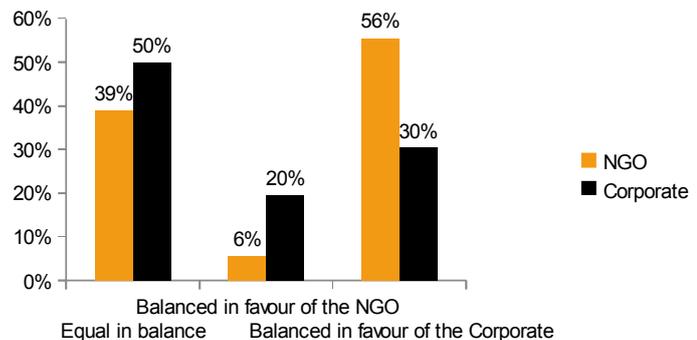


Figure 17: The cross-sector power dynamic (by sector)

“Thinking GENERALLY of your organisation’s most important corporate-NGO partnerships, to what extent would you say that the “power dynamic” between the partnering organisations is balanced?” *Base size:102*



## Enablers of success

We presented respondents with a range of success factors and also gave them an opportunity to identify or comment on their own success enablers. We found that there is striking and encouraging agreement between businesses and NGOs regarding these factors.

**Planning, communication, leadership, stakeholder endorsement all matter**

It is clear that both sectors recognise that effective planning early on in the process is key, as are the effective communication

and the engagement of stakeholders, underpinned by strong leadership and the understanding of partners and goals.

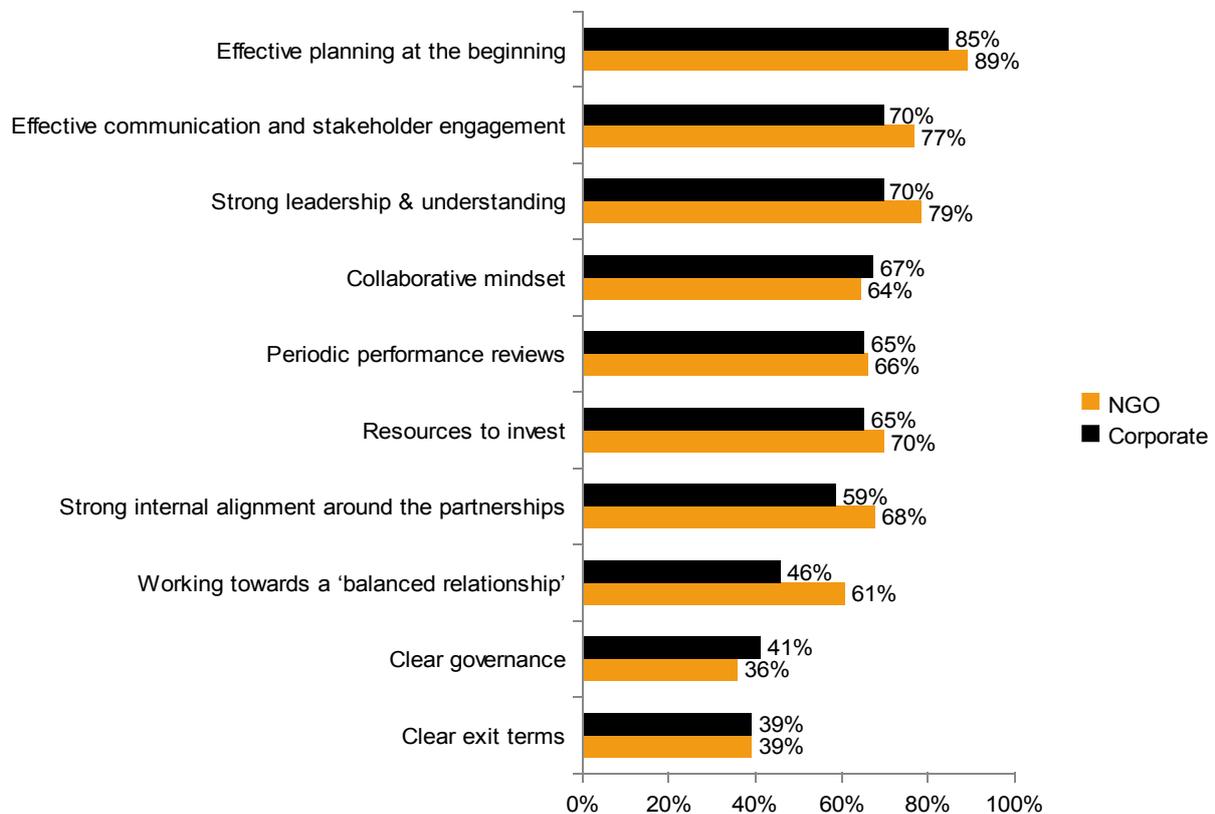
Practitioners also commented on openness and honesty as enabling factors.

The most notable variance in the emphasis ascribed by the different sectors to success enablers relates to 'working towards a 'balanced relationship'. 15% more NGOs than companies suggest the balance issue is more important in enabling partnering success.

Figure 19: Success enablers

**"What would you say are the enablers of successful partnership in your experience?"**  
**TICK ALL THAT APPLY**

Base size: 104



## Prospects for corporate-NGO partnerships

As practitioners seek to navigate their way through the current fragile economic recovery, the uncertain economic climate and dramatic cuts in public sector spending, what is current sentiment about the prospects for future corporate-NGO partnering?

**Businesses and NGOs have great expectations for cross-sector partnering between now and 2013**

With almost 90% of practitioners feeling that partnerships will play a more important role in the NGO or Corporate agenda over the next three years, it seems that the future for cross-sector partnerships looks positive.

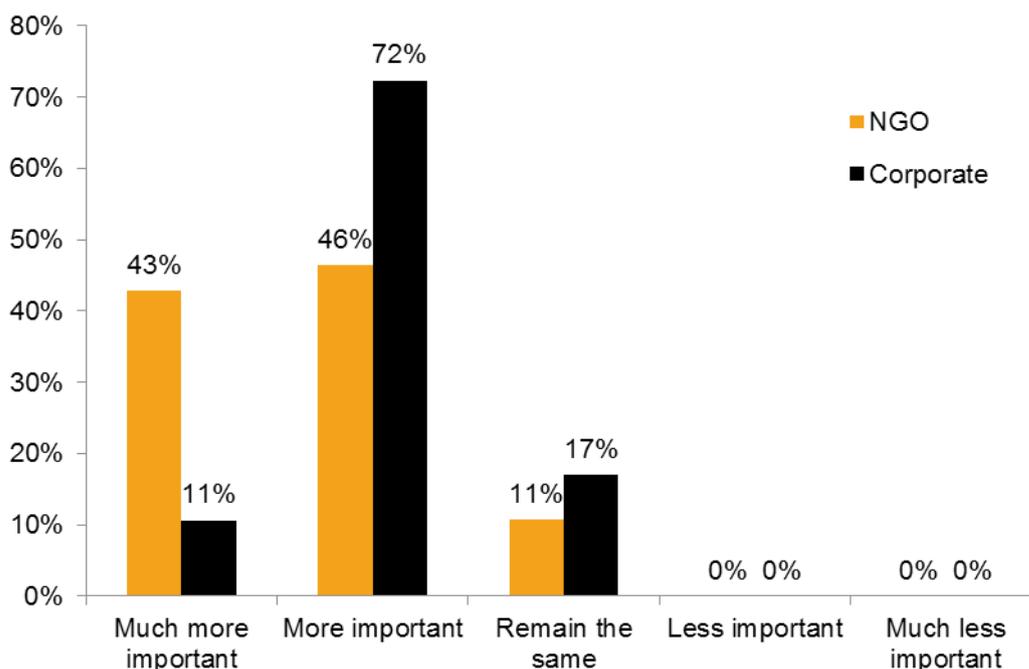
Whilst businesses and NGOs overwhelmingly share the view that cross-sector partnering will become more important over the next three years, there are some differences in emphasis between the sectors. NGOs are significantly more optimistic about the future of partnerships than businesses (43% of companies see partnerships as likely to be ‘much more important’ over the next 3 years, compared to 11% of company respondents)

That said, reassuringly the corporate sector is also positive in its assessment of the prospects for partnering, with 83% of corporate respondents expecting that cross-sector partnerships will become either ‘more’ or ‘much more’ important between 2010 and 2013.

Figure 20: The future importance of Cross-sector partnerships

“What is your expectation of the role that partnerships will play in the corporate or NGO agenda over the next 3 years? Would you say they are likely to become.....?”

Base size: 105



Pressure on companies and the need to leverage each others' assets are key drivers

Increasing recognition of the need to leverage assets across-sectors, pressure on companies to demonstrate societal consideration, and more evidence of successful partnering are three main factors identified by practitioners as likely to drive the expected growth in partnerships. On the whole, there is broad cross-sector agreement about these three factors - although NGOs place more emphasis on 'leveraging each others' assets' than

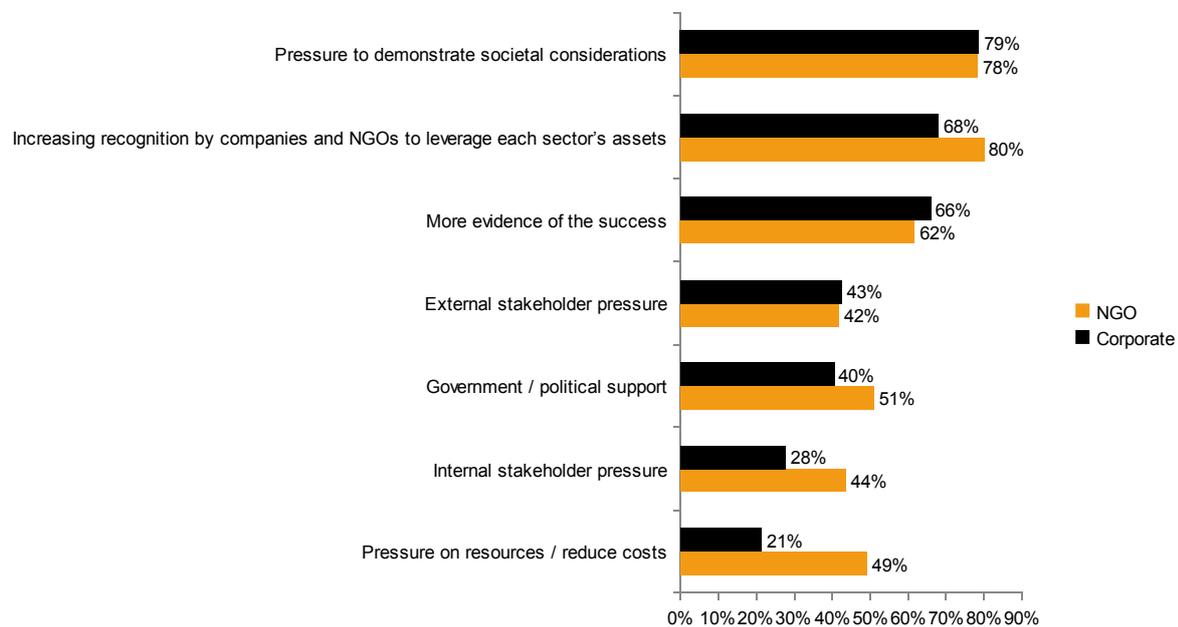
do company respondents (80% and 68% respectively).

However, whilst both sectors highlight government / political support for the partnering agenda as a factor, this appears to be a more important factor for NGOs (51%) than for businesses (40%). Similarly, internal stakeholder pressure and pressure on resources / the need to reduce costs are highlighted by significantly more NGOs than businesses. This is likely to reflect the economic pressures being faced by the NGO sector in particular. It also reflects the current drive towards efficiency.

Figure 21: Why partnerships will become more important

"In your view, what factors are likely to make corporate-NGO partnerships more important in the next 3 years?" TICK ALL THAT APPLY

Base size: 104



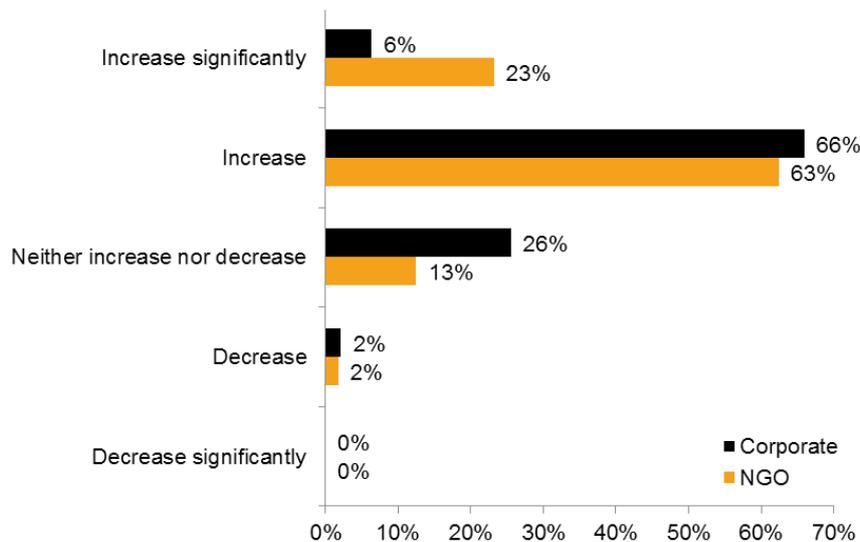
Increasing recognition of the need to leverage assets across-sectors, pressure on companies to demonstrate societal consideration, and more evidence of successful partnering are three main factors identified by practitioners as likely to drive the expected growth in partnerships. On the whole, there is broad cross-sector agreement about these three factors - although NGOs place more emphasis on 'leveraging each others' assets' than do company respondents (80% and 68% respectively).

However, whilst both sectors highlight government / political support for the partnering agenda as a factor, this appears to be a more important factor for NGOs (51%) than for businesses (40%). Similarly, internal stakeholder pressure and pressure on resources / the need to reduce costs are highlighted by significantly more NGOs than businesses. This is likely to reflect the economic pressures being faced by the NGO sector in particular. It also reflects the current drive towards efficiency.

Figure 22: Future investment in partnerships

“Is your investment (commitment, time, resources, etc) in corporate-NGO partnerships likely to increase or decrease over the next 3 years?”

Base size: 104



On the topical question of future investment in partnerships up to 2013, our findings reveal a clear, positive expectation across business and NGO respondents. 80% of the respondents forecast an increase in their level of investment (of commitment, time, resources, etc) in future partnerships.

Again, NGOs are more enthusiastic in expecting to increase their investments than are company respondents (23% of NGOs expect to increase their investments significantly, versus 6% of company respondents). However, a strong majority of companies (72% of respondents) expect their

investment in corporate-NGO partnerships to increase in the next 3 years.

Interestingly, despite worries about the possibilities of a double-dip recession, slow growth and the current climate of economic austerity, only 2% of NGOs and businesses expect there to be a decrease in their investments in partnerships over the next three years.

It seems therefore that the medium term future is bright for corporate-NGO partnerships.

## Concluding remarks

This first edition has generated some important, intriguing and sometimes surprising information about the importance, nature, challenges, enablers and prospects for corporate-NGO partnerships. The findings are particularly important considering the prevailing context within which businesses and NGOs are operating - the pressures being faced by the UK and other public sector funds, the related shrinking of state provision, the need for business innovation and calls for improvements in NGO efficiency.

The message for companies from this Barometer appears to be that a focus on reputational value will not be value-maximising. And for NGOs, it is clearly potential-limiting

to focus on one-dimensional, cash-focused partnerships. In seeking to derive the greatest value from the promising future of cross-sector partnering identified by this report, both sectors will need to rise to the challenges and opportunities inherent in creating mission-led, strategic, cross-sector partnerships.

We are grateful to all the respondents and interviewees for sharing their perspectives and experiences. We hope this first Barometer helps to inform their and your understanding, investments, practice and reviews of corporate-NGO partnerships. We welcome comments and suggestions for the next edition.

## About C&E Advisory

C&E is a leading, specialist 'business & society' consultancy. We work with some of the world's foremost businesses, NGOs and High Net-worth Individuals, helping them secure compelling business, social and environmental value. And because today's issues require new ways of thinking and working, C&E is particularly adept at inspiring and enabling sometimes surprising cross-sector collaborations.

C&E has advised – and advises - on some of the world's leading business-NGO partnerships.  
[www.candeadvisory.com](http://www.candeadvisory.com)