



Corporate-NGO
Partnerships Barometer
2014

The partnering agenda grows deeper roots...



Headline Findings

Why Corporates & NGOs partner with each other

Reputation is a leading factor across both sectors - but cash remains king for NGOs

Corporates and NGOs have differing reasons for wishing to partner – though some overlap.

For corporates:

- With a score of 92%, enhancing brand or corporate reputation and credibility is the private motive for engaging in partnerships with NGOs.
- This is followed equally by **long-term stability and impact** (a factor which has moved up the corporates' priority list significantly this year), and innovation (both at 73%).
- Businesses are also increasingly motivated by the need to **develop their people** through partnerships (63% score).

For NGOs:

- By contrast, NGOs remain primarily interested in the opportunity to **access funds**, with 95% of NGO respondents listing resource generation as the lead reason for partnering.
- However, **long-term stability and impact** has moved significantly up the NGOs' agenda over the last year with over 70% of NGOs now realising how important a factor this is. This has been a general trend amongst NGOs over the five-year history of this unique Barometer series. It reflects an ever-greater realisation from NGOs of the value of long-term partnerships and the assistance with **programme delivery in non-financial ways** that partnerships can bring.
- Similarly, 73% of NGO respondents value access to people and contacts (drawing on a wider pool of technical expertise, experience, skills, labour and networks) whilst two-thirds of NGO respondents agree that reputation and credibility is the third most important reason for partnerships.

Strategic partnerships

“Fewer, bigger, better” - the move towards higher value partnerships continues

Since its inception five years ago, the Barometer series has shown a significant **overall shift towards strategic partnerships**. This trend has continued to 2014 with more respondents demonstrating an understanding of the strategic importance of partnerships.

But there are significant differences; 42% of NGO respondents classify more than half their partnerships as 'strategic', compared with 64% of corporate respondents. The findings seem to indicate that the **corporate sector remains ahead of NGOs** in understanding the strategic importance and overall position of partnerships in yielding value for stakeholders.

NGOs may need to think more carefully about their partnership portfolio design and management, as well as the efficiencies in resource use that can derive from having a more strategic approach.

Confidence

Yet again, this year, the Barometer discovered an overwhelming level of confidence that **strategic partnerships between NGOs and businesses are meeting their objectives and delivering value**, with 90% of respondents expressing such views.

The role of colleagues

Senior leaders best understand the importance of, and engage most in, partnerships

The 2014 Barometer took a first look at the perceived role of colleagues from different functions in the partnering process.

Overall, all colleagues are perceived to be broadly supportive with an aggregate figure of 79% being seen to be either engaged and supportive or highly so. Senior leaders scored highest, whilst HR and finance colleagues scored lowest.

From the NGOs' perspective, senior leaders and marketing people are seen to be the most supportive, with HR people scoring lowest. From the corporates' perspective, finance staff score lowest whilst senior leaders are perceived as being highly engaged. There is work to be done by both sectors to better engage finance and HR colleagues.

Driving improvements

Corporates are better than their NGO counterparts at reviewing partnership performance

Both NGOs and corporates recognise the importance of internal reviews of partnerships, as well as reviews with their partners. **Over 90% of all respondents undertake annual reviews of partnerships.** Corporates, however, seem to place more importance on carrying out reviews both internally and with their NGO partners. The Barometer found scope for improvement in the review processes for long-term partnerships. Such reviews often present an opportunity to understand what aspects of the partnership are working well and how they might be further leveraged, and conversely, what is not working well and how improvements can be made.

The value partners bring to each other

Corporate-NGO partnerships are really moving the dial for businesses

The overwhelming majority (87%) of corporate respondents state that corporate-NGO partnerships have improved business understanding of social and environmental issues. Perhaps more importantly, this enhanced understanding appears to be translating into positive changes in business conduct. Most respondents from the corporate sector (59%) state that their **key NGO partnerships have helped their companies to change their practices for the better.** The 14% year on year increase in this score is very notable.

An improving understanding of the potential role that business assets (beyond cash) can play in NGO mission delivery

Previous editions of the Barometer have identified a significant gap between NGOs' and corporates' perceptions of the value of non-financial support. This gap is again notable in the 2014 Barometer. However, the gap appears to be narrowing significantly.

Business respondents are notably more bullish about the value that can derive from harnessing their competencies in non-cash ways to aid the achievement of NGO goals. 68% of corporate respondents agree that harnessing their competencies and non-cash assets would better boost the achievement of NGO objectives through financial support alone.

This compares with 48% of NGOs in agreement with the proposition - a gap of some 20% between the corporate and NGO views. But the gap is narrowing, as the 48% of NGO respondents who now agree that "By effectively harnessing our corporate partners' competencies and non-cash assets my NGO can make much more of a impact..." represents an increase of 12% on 2013. This is an encouraging development which clears the path towards deeper, mission-focused partnering.

The stars – the most admired corporate-NGO partnerships and partners

M&S, Boots, GSK, Macmillan, Oxfam, Save the Children - shining lights of the NGO-Corporate partnering scene

For a remarkable fifth year in a row, the partnership between M&S and Oxfam was voted the Most Admired Corporate-NGO Partnership by practitioners. The Boots-Macmillan and GSK-Save the Children partnerships consolidated second and third place respectively in the Most Admired Partnership standings. These three partnerships stood out for their clarity of purpose, creativity, scale of mutual benefit and for innovation.

All six organisations involved in the top-three partnerships also featured in the 'Most Admired Corporate' and Most Admired NGO' categories.

Future prospects for Corporate-NGO partnerships

Partnerships will become more important over the next three years

For the fifth year in a row, sentiment about the **mid-term prospects for corporate-NGO partnering remains very positive. 90% of respondents state that partnerships will become more or much more important** over the next three years. Not a single respondent anticipates a decline in importance for partnerships.

The desire by companies and NGOs to leverage each other (91%), pressure on businesses to demonstrate societal consideration (77%), and evidence of the success of partnerships (70%) are the key drivers behind this expected growth.

Investment (of time, commitment and resources) in corporate-NGO partnering is set to grow over the next three years, with 60% of business and 95% of NGO respondents expecting their investment in cross-sector partnerships to either increase or increase significantly over the next three years.

Concluding points

As this is the fifth Barometer in the C&E Advisory series, clear trends are really beginning to emerge. Notably, both NGOs and businesses are beginning to understand the greater value that strategic long-term partnerships can bring in ways that truly harness the assets of both sectors to address mission-focused objectives.

It is also more noticeable than ever that a real note of optimism across the sector is beginning to emerge in stronger ways than we have witnessed over the life of the Barometer – as perhaps reflects the generally increased level of economic optimism and continued recovery from the financial crisis. Corporate-NGO partnerships are now clearly higher on the agenda for both sectors – and extremely well supported by leaders on both sides.

The Barometer also illustrates some key areas of weakness that both corporates and NGOs may improve upon. In particular, corporates may be able to better communicate the benefits of their partnerships to external stakeholders and both sectors can benefit further from prioritizing the partnership review processes.

Overall, this practitioner-led 2014 edition of the C&E Corporate-NGO Partnerships Barometer again confirms the importance of partnerships for both companies and NGOs and that their prospects are better than at any time over the last five years.

About C&E Advisory

C&E is a leading specialist 'business and society' consultancy. We work with some of the world's foremost businesses, NGOs and High Net-Worth Individuals, helping them secure sustainable value – shareholder, social and environmental. Our practice areas cover strategy, programme design, oversight and reviews, performance measurement and reporting, high performance team development and leadership coaching.

And because today's challenges and opportunities require new ways of thinking, C&E is particularly adept at inspiring and enabling sometimes surprising cross-sector collaborations. We have advised – and continue to advise – on some of the world's leading and best known corporate-NGO partnerships. C&E also advises on all aspects of the shared value agenda.

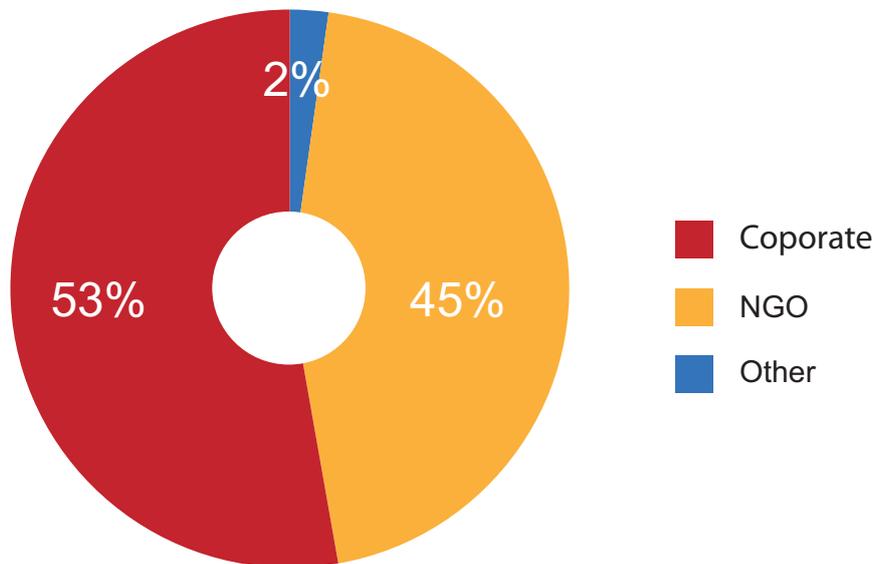
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About The Barometer

This document is a summary of the C&E Corporate-NGO Partnerships Barometer 2014. It is the fifth in a series of annual surveys of current practice, drivers and key trends in cross sector partnerships. The Barometer is based mainly on an online survey of 130 leading companies and NGOs engaged in cross-sector partnerships. The survey took place in July 2014 and was supplemented by qualitative interviews.

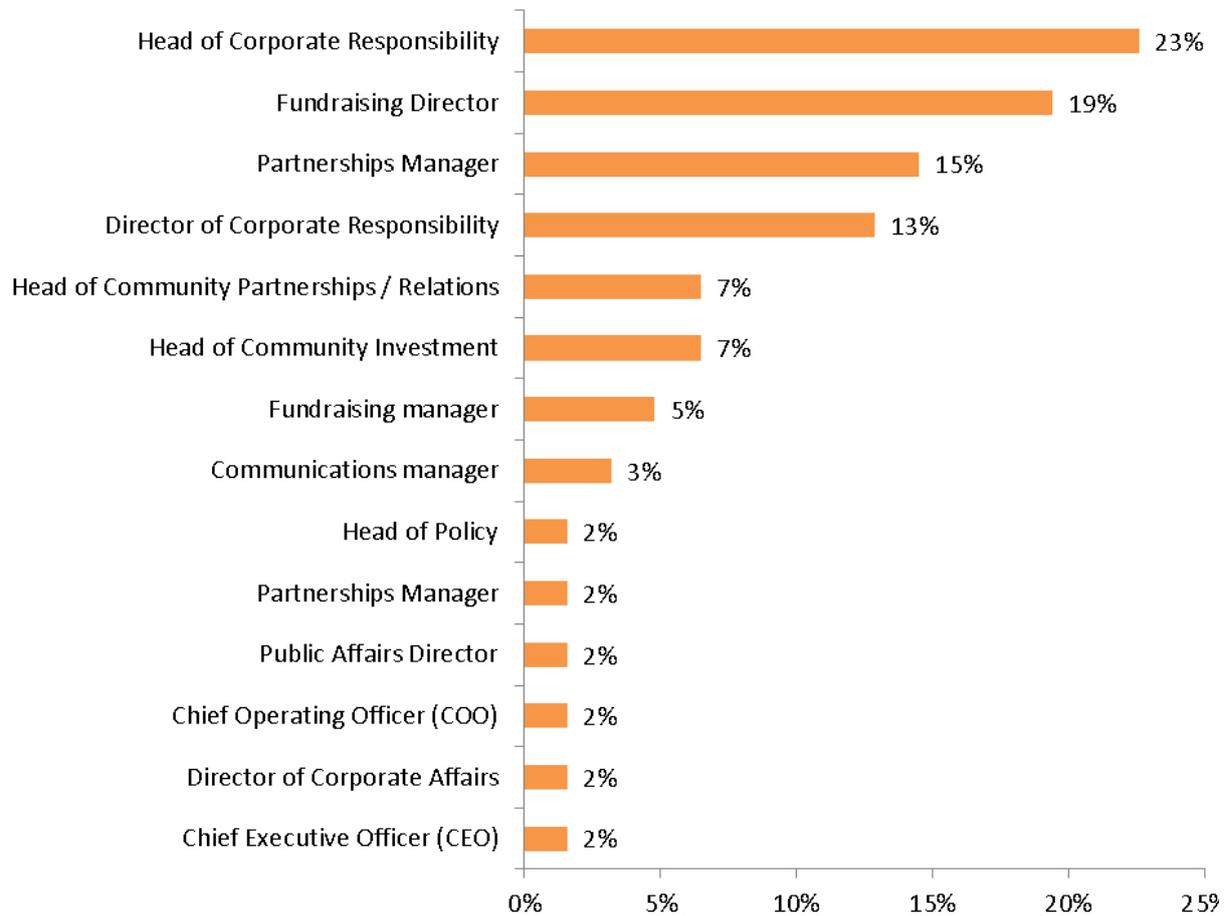
For more information or a copy of the full report visit www.candeadvisory.com/barometer

Figure 1: Sector representation



Are you completing this survey on behalf of a "not for profit" organisation (NGO) or a Corporate?

Figure 2: Respondents' roles



List of participating companies and NGOs

Survey respondents (excluding organisations wishing to remain anonymous)

- A.P. Moller Maersk Group
- Alliance Boots
- Allianz
- Anglo American
- AstraZeneca
- Aviva
- Barclays
- BNY Mellon
- BP
- Britvic
- BT
- Bupa UK
- Capital One
- Citi
- Credit Suisse
- De Beers
- Experian
- Friends Life
- Fujitsu
- GE
- GVA
- Hilton Worldwidel CAN
- Jaguar Land Rover
- KPMG
- Linklaters LLP
- Lloyds Banking Group
- Marks & Spencer Plc
- Northumbrian Water Group
- Old Mutual
- Pearson
- Prudential UK & Europe
- RBS
- Rolls-Royce plc
- RWE npower
- Shire
- Tata Consultancy Services
- Vodafone
- AfriKids
- Amnesty International
- Arthritis Research UK
- BFI
- Canal & River Trust
- CARE International
- Carers UK
- CLIC Sargent
- Concern Worldwide (UK)
- Crisis
- Earthwatch Institute (Europe)
- Girlguiding
- Global Action Plan
- GOSHCC
- Help the Hospices
- I CAN
- Impetus-PEF
- Lloyds Bank Foundation
- Macmillan Cancer Support
- Ovarian Cancer Action
- Oxfam
- RNIB
- Save the Children
- Scope
- Shelter
- Stroke Association
- The Children's Society

- Together for Short Lives
- UN World Food Programme
- UNICEF
- VSO
- WaterAid
- WWT