



“Why Should We Give?”

Business benefits of a strategic corporate giving program



Generosity comes easily in prosperous times, when business is booming and optimism is running high. But when companies experience economic set-backs, corporate giving programs may face increased scrutiny from internal stakeholders who are looking for places to cut costs or at least have more justification for the investment.

As unfortunate as that mindset is, public relations and corporate giving professionals must remain realistic about varying viewpoints on the value of corporate philanthropy in their organization. Giving is one of the fundamental elements of a

sound corporate social responsibility program. But not everyone has a clear understanding of the incredible value of these programs. Let's face it; there are those who would argue a dollar earmarked for a charitable cause would be better spent upgrading equipment, expanding technology or simply not being spent at all.

Fortunately, there is strong support at the highest ranks

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throughout the business community for philanthropy as a critical component of an organization's long-term business strategy. This commitment appears to be unwavering even during the current economic slow-down, and in fact philanthropy appears to have growing support for its business benefits. At the conclusion of this year's "Board of Boards CEO conference" organized by the Committee Encouraging Corporate Philanthropy, CEO participants from CSR-focused companies such as Eli Lilly, Verizon and Mitsubishi shared their perspectives on economic issues and the relationship between corporate philanthropy and business strategy.

Some key findings:

- 64% believe equal weight should be given to both the business benefits as well as the social impact of corporate philanthropy;
- 89% of CEOs believe companies should have mechanisms in place (e.g. cash reserves or endowed foundations) to sustain contributions during periods of weak financial performance;
- 100% believe corporate philanthropy is important to creating long-term shareholder value.

While it is comforting to know the philosophical approach to philanthropy is not generally tied to the ups and downs of the business cycle, perhaps more notable is the nearly two-thirds who view corporate philanthropy as a strategic business tool. A January 2007 McKinsey global survey of more than 500 CEOs or other C-level executives mirrored this finding. In addition to impacting social goals, nearly 90% of survey respondents also seek business benefits from their philanthropy endeavors.

It goes without saying corporate philanthropy is a long-term proposition that should benefit the greater good, but companies needn't believe they can't

benefit as well. Doing good should be a rewarding venture for both the giver and the receiver. In addition to creating a healthier society, corporate philanthropy can provide direct benefits to the company as well.

Particularly during difficult times, public relations and corporate giving professionals should anticipate some level of internal push-back about philanthropic initiatives and be prepared to demonstrate ROI well designed strategic giving program. Establishing meaningful metrics and evaluation processes will ensure plenty of data is there to support



the program's effectiveness on an ongoing basis. Below are seven principles for corporate giving that bring the rigor of business to the passion of philanthropy and help answer the inevitable questions: "Why should we give, and what should we get in return?"




In addition to creating a healthier society, corporate philanthropy can provide direct benefits to the company as well— such as a stronger sense by employees that the company's values align with their own.

Why should we give?

What should we get in return?

1. To help improve communities where the company has business interests	<ul style="list-style-type: none">• Better places for employees and customers to live and work• Greater license to operate from community leaders and influencers• Greater support from key influencers in times of need
2. To engage and excite employees	<ul style="list-style-type: none">• More desirable work environment influenced by a giving-minded corporate culture• Stronger sense by employees that the company's values align with their own• Opportunity to develop new skills and leadership abilities
3. To attract quality talent	<ul style="list-style-type: none">• Viewed as an employer of choice, particularly by young professionals who tend to have a deep commitment to community service and who seek employers who give them opportunities for community engagement
4. To leverage the company's core competencies	<ul style="list-style-type: none">• New ways of utilizing the company's business assets• Opportunities for innovative thinking about the company's natural strengths outside the confines of the corporate structure
5. To create opportunities for dialogue with groups on all sides of an issue	<ul style="list-style-type: none">• Common ground with NGOs and/or CBOs• Additional insights about expectations others have for the company• New ideas about ways the company can effect positive change
6. To partner with non-profits in establishing fresh strategies for addressing a cause affecting the company or its industry	<ul style="list-style-type: none">• Increased effectiveness for both the non-profits and the company gained through collaboration• Greater business rigor, accountability and potential impact on the issue
7. To bring the company's core values to life and highlight fundamental business principles, a code of conduct and code of ethics that define the organization	<ul style="list-style-type: none">• Greater appreciation by external stakeholders for the company's responsible approach to business• Ongoing positive recognition in traditional and social media outlets• Viewed as better or best in class relative to peers• Enhanced perceptions about the company's commitment to giving back and an improved overall reputation

A well designed corporate giving program meets important societal needs but can also generate meaningful returns to the organization and give it a true competitive advantage. Using these seven principles, public relations professionals can be ready to champion the business benefits of a strategic giving program internally whenever the opportunity arises to help ensure philanthropy budgets remain secure and, more importantly, that corporate giving can be seen as the powerful catalyst for organizational improvement it was meant to be. 



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