

PUBLIC RELATIONS INSTITUTE OF AUSTRALIA

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The GFC – Riding The Wave To Create Win-Win Partnerships

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According to the findings of numerous surveys both here and overseas, the flow-on effect of the Global Financial Crisis (GFC) to the Not-for-Profit (NFP) sector has seen some severe cut backs in financial contributions from corporate philanthropy, events, sponsorship and corporate social responsibility (CSR) programmes. This in turn has had a devastating impact on the delivery of some services and programmes across a broad spectrum of community organisations.

Current data suggests that corporate financial investment in the community will continue its downward spiral for at least another twelve to twenty four months. However, while a financial commitment will always be an essential contribution to NFPs, with many corporate community budgets now blown away by the GFC, the need for both groups to work together to identify additional partnership opportunities to deliver a win-win for all parties has never been so great.

Corporate investment in communities is critical; however, it's only one element of good corporate citizenship. While the principles of CSR are multi-faceted and focussed on a genuine commitment to conduct sustainable, ethical business practice to demonstrate financial accountability, minimise environmental impact and contribute to economic development for all stakeholders (shareholders, employees and the communities in which businesses operate), a fundamental fact of CSR is that if business cannot sustain itself, it cannot sustain the community.

Therefore, while the GFC continues to deliver sizable troughs in business profits and growth with waves of increased unemployment of varying degrees, it stands to reason that the corporate priority must remain firmly focussed on ethical governance including increasing profits and retaining employees if they are to maintain the basic principles of CSR.

Both business and NFP sectors have learned some hard lessons from the GFC. Among them, to achieve sustainable growth into the future both must rationalise, diversify and improve operations. Attitudes and objectives are changing and being redefined. Complacency is being replaced with entrepreneurial, strategic thinking to help us work smarter and discover new ways of doing things to ensure sustainability of organisations in both sectors.

In the maintenance of partnerships, there is also evidence to suggest a fresh focus on the importance of two-way communication with the emergence of public relations being more broadly recognised as a critical tool in improving communication management among stakeholders to deliver a win-win for all partners.

At Insight Communications we are seeing both business and NFP groups review current communication policies, practices and deliverables with many starting to see the benefits of lateral thinking in sustaining critical partnerships.

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Assuming that a corporate partnership is a perfect fit with a NFPs vision, mission and values, two-way communication to keep partners informed and corporates acknowledged through donor loyalty programs is the place to begin. However, it's only part of the equation. Strategic brand awareness has, and always will be an unequalled principle benefit for many corporates looking to partner with community groups.

This being said, some corporates continue to get it wrong with their community contributions working in isolation rather than within a strategic partnership or CSR programme. Over the years, we've seen numerous examples of this occurring during high profile charity appeals such as the tragic Black Saturday Victorian bushfires and the 2006 Boxing Day tsunami. In these instances, some corporates have opted to publicly leverage off charity appeals by making a very public one-off donation of a significant sum - the objective being to ride the wave of publicity generated by the disaster and gain brand awareness as being a good corporate citizen.

There is no doubt that these companies achieve some awareness of their brand and that their donations have an impact on the recipients. However, is leveraging off a disaster to gain brand awareness the best course of action for corporates seeking credibility or recognition as a good corporate citizen among target publics?

Within a CSR framework, corporate and community groups must be active not reactive, employing creative, strategic methodology aimed at building relationships that deliver valuable, ongoing equal benefits to all parties.

Insight Communications works across both business streams to manage corporate/community partnerships and always with the principle aim of delivering meaningful communication outcomes to partners by generating positive brand awareness for all parties.

In the wake of the GFC, while we've seen evidence to suggest corporates may command higher expectations from partnerships such as widespread co-branding for reputation building to ensure maximum return on investment, corporates must also deliver meaningful contributions to community partners in return for positive awareness of their brand.

One of Insight's clients, a national children's health promotion charity, recently initiated a unique partnership bringing together corporate and government organisations. This partnership provides an ideal example of strategic CSR where partners are providing relevant support in both cash and in-kind to build a \$1Million project that promises to deliver multiple benefits to the community while meeting corporate partner expectations.

As part of our client's commitment to the partnership, Insight developed a strategic public relations campaign to generate positive brand awareness of all partners using multiple communication streams to influence relevant publics.

Target publics include; the community in the immediate vicinity of the project, the members of society who will benefit from the new facility, potential clients of the corporate partners to aid in improving business development and increase market share, and the general public to build trust and improve employee satisfaction and retention.

For our client, in addition to generating awareness of their brand to build donor confidence and loyalty across the community, the strategy also focuses on public acknowledgment of partner brands

as well as influencing other potential suppliers of products and services to initiate new relationships for future projects in other regions.

Even in the midst of the GFC, the outcome of this project promises to provide just one example of what can be achieved when corporates and community groups think laterally and strategically, working in partnership ensuring equal benefits to all parties.

From a corporate perspective, there is much evidence to suggest the application of CSR as being beneficial to business development. As a consequence of the GFC, while corporates review budgets and levels of participation in CSR and community engagement, maintaining partnerships to maximise positive brand awareness should be seen as a critical and beneficial tool in sustainable, ethical business practice.

For NFPs, when managing corporate partnerships, organisations need to identify multiple opportunities, listen to partners, offer more than they might expect in return and, deliver what they promise. Most importantly, NFPs should never underestimate the value of strategic public relations when creating and maintaining relationships.

In these turbulent fiscal times while we strive to stay atop the wave of the GFC, we will see its impact continue to challenge both corporate and community groups helping us to discover innovative ways of working together to achieve social change for the benefit of all.

Clare Collins, Executive Director of Insight Communications Pty Ltd is a member of the Public Relations Institute of Australia (PRIA), the PRIA Registered Consultancy Group (RCG), Fundraising Institute Australia (FIA), Models of Success and Sustainability (MOSS) and the Australian Society of Authors (ASA).

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