



Maine
Philanthropy
Center

Defining ROI: From Recognition to Impact

Freeport Community Center, Freeport, ME

June 16, 2016

Thank you to the Planning Committee and Sponsors:

Unum, Kennebunk Savings, LL Bean, and WEX

Event Description

On June 16th, corporate and small business funders gathered with their colleagues for this program about the business of giving. Local and national-profile companies, large and small, shared and discussed their definitions of Return on Investment:

- What role does sponsor recognition play in corporate/nonprofit partnerships?
- What is a realistic expectation of impact from your gifts and grants?
- How can small businesses maximize the impact of their giving?
- What can large corporate giving programs learn from small businesses?
- How can Maine businesses best work with nonprofits to make Maine a better place to live, work, and play?

Welcome and Introduction – Frank Douglass from WEX, Barbara Edmond from Maine Philanthropy Center

Everyone has a different definition of return on investment (ROI), and there is a valid array of definitions and understandings of return on investment. If you were to imagine a ROI continuum, it might look something like this:

The Return on Investment Continuum



There's a whole valid arrange of ways companies think about the rationale and purpose of their giving.

One might say that the continuum ranges from completely altruistic to a required tangible dollar return and lots in between. Any given company may have 2 or 3 of these motives at the same time or different motives at different times depending on the circumstance. There is no right or wrong answer.

Presentation by Karen Voci, President, Harvard Pilgrim Health Care Foundation

Presentation Slides attached

Panel Presentations

- Tim Hussey, Hussey Seating Company
- Mary Allen Lindeman, Coffee By Design
- Yellow Light Breen, Bangor Savings Bank

Themes from the Conversation:

General agreement that there is “return on investment”

- Questions came up around how to measure impact
- Impact is something everyone in philanthropy struggles with. For corporate philanthropy— we’re not in the business of philanthropy. How to connect this with the underlying business?
- This is about accountability. The magic is the accountability *with* people not *to* people-- how do you create systems where accountability is shared? It’s the same inside the company. If other corporate actors are coming to you and demanding ROI, you’ve failed. Our CFO is heavily involved in our philanthropy. He sits on our grant committee, sits on our board. He has been one of our major partners in our work.
- For another panelist, the giving is part of the corporate culture and the values of founders. Culture of giving back. They don’t use the term “ROI,” they think about impact. They’re probably still largely in that corporate good citizen approach in that quadrant.

Recognition

- For some, unique recognition is important; for others, it’s not as critical.
- For those not in local sales, the recognition is more about being seen as an employer of choice.

Employee Engagement

- MANY speakers talked about philanthropy as a means to employee engagement.
- Ensuring that employees are clear about and aligned with the company’s unique giving culture and the ways they can participate.
- CBD just did a brand review that included the staff’s feedback about us. ¾ of company participated. The report found: staff totally believe in this company. They really trust in the ownership that they’re making decisions that they support. We believe in giving back, that’s who we are as a company.
- Questions came up about how to achieve buy-in from the company’s executive team on the value of giving (beyond employee volunteerism).
- 40% of marketing budget is in community relations and sponsorship. 40% of that 40% is determined by 5 regional teams around the state. The level of ownership inside company structurally got really high really fast.
- Involving a broad base of company in community relations and giving. We have lots of employees touching community relations because it’s so diffused within company.
- One of the powerful tools for all of us is the whole idea of net promoter. It’s one thing to have customer and employee satisfaction. It’s another to have customers and employers be champions for your company. The idea of loving where you work, championing where you work.

- One panelist has started budget classes for staff.
- Recognition of employees is important. Try to build recognition into most visible company-wide honors—one panelist mentioned a video that captures one or two exemplars of what they're about.
- Presenters also talked about getting much more intentional about on-boarding of new employees. Bring them in 3 – 6 months after they started. Bring them back for a day with executives. They spent time with each of major executives in company.

Engaging Younger Employees

- “We’re seeing younger employees coming to us because of our CSR efforts. That’s how we’re attracting people.” We do new hire orientations and community relations is part of that. It’s also part of executive communications—executives sit all serve on boards. When we have communications, 5 – 6 times a year, from our CEO, community relations is part of their message. Around holidays, they mention giving.
- The young professionals come to us, go out and volunteer as a group.
- One attendee mentioned their company’s Gen X group. They’re the most active growing group in amount of time they volunteer, leadership they take on in community, employee giving. They’re also the fastest group of donors. The company has moved away from the historical, only senior leaders are engaged in community.
- Huge issue for Maine—there’s a lot of competition for attracting young people. All the data shows that younger folks want to socialize, volunteer, and give. But they won’t just give. More actively engaged. Their networking ability.

Civic Commitment to Community

- It’s not about documenting the financial impact of our giving, but rather about doing the right thing for the right reasons.
- Another panelist: Originally we felt our giving would feel dirty if it wasn’t altruistic. But what’s the sustainability within company if it’s purely altruistic? If it’s enlightened self-interest, then it’s self-sustaining. If you do the right things for the right reasons, the community will pay you back somehow.
- Another panelist: We’re focused on making sure this is a good place to live and work. This is also about attracting employees and talent. We’re still rooted in the values of being in a small town for 180 years. We have such an investment in the small town.

Saying No

- Not everyone’s going to love your choices. Choose when you speak up, choose your battles. Every choice you make is a political statement: who I hire, where I locate, what countries I buy coffee from.
- Learning how to say no can be a challenge, and how people take that no. Some people when you say no, they can be really awful. Sometimes the no is: I might know someone, I’m not the right company, but this other business does work in that area.

Promoting your Corporate Philanthropy:

- How much do you promote your giving and what you’re doing? For CBD, they had been shy about talking about their giving. They decided to let our customers know because they have lots

of choices about where they buy coffee: “these are the things we think you should know about, this is how we spend our profit.”

- Another presenter: At first, they almost expressly wanted not to claim credit, but they needed to be more intentional and aggressive in telling their story. What do your customers care about? That’s the space for really strong philanthropy and community and engagement. Their business-to-business and referral sources are important. What do the referral sources care about? They care passionately about this community stuff. Had to focus on customer, kept community stuff as close second.

Reputation Risk

- Banks have eight categories of risk. One is reputation risk. The recession happened and Occupy Wall Street happened, reputation risk went from being a very low risk to being their number one risk. Their community relations and giving teams were putting money in bank. It doesn’t eliminate need to do crisis communication, but creates backdrop. If you’ve got your story bank, you can draw on that. More generally, regardless of whether your industry goes through a massive crisis of confidence, reputation is huge.
- A crisis can happen on weekend. Have people who can chime in and know your reputation. The best defense on social media is when other people come to your defense.

Other questions:

- Attendees were very curious about what percentage of profits other companies (particularly competitors in the same sector) dedicate to charitable giving.
- Questions about what organizations are paying for independent evaluators.