

Meeting in the middle

For those who dream of a white Christmas, this winter has more promise than most. With the coldest weather for a decade being forecast, bookmakers have slashed the odds of snow to about 5/1, and are also taking bets on it being the coldest 25 December in living memory.

For the country's elderly and other vulnerable groups, however, it's a little more serious. Last winter it is reckoned that perhaps 30,000 elderly people in the UK died because of the cold, despite relatively mild temperatures. Many simply couldn't afford to pay their heating bills, and with energy prices at record highs this year, charities fear the worst. Not surprisingly, many have launched initiatives to try to minimise the danger.

Perhaps the best known is Help the Aged's partnership with British Gas. The two have worked on the issue for over six years and, in the process, Help the Aged has received more than £6 million in funding from the company. This year, they are campaigning to persuade the government to adopt a five point plan for eradicating "fuel poverty".

This is, of course, just one of a large number of partnerships between charities and the private sector tackling a wide range of issues, and according to May Seitanidi, a doctoral candidate at Nottingham University's International Centre for Corporate Social Responsibility, this number appears to be rising. Seitanidi has been studying relationships between the voluntary and private sectors for the last six years and says that, in general, the charity sector seems to be moving from a confrontational approach towards companies (by which it would attempt to shame them into behaving more ethically) to a collaborative one.

In some ways this is not surprising. Cross-sector solutions to national and international social problems have become increasingly accepted in recent years – not only between charities and businesses, but also with the public sector. Furthermore, while public

fundraising becomes increasingly difficult and government spending is set to become more restrained, the private sector looks like a significant untapped resource. The NCVO puts business' contribution to charities' income at just 4.3 per cent; little wonder then that many are asking if there's not more it could do.

On the other hand, charities have picked a strange time to align themselves more closely with business. Public mistrust, particularly of big corporations, is at an all time high – in part because of charities' campaigns against unscrupulous behaviour. In 2004, an EU survey of the 15 pre-enlargement member states found 61 per cent saying that they did not trust big business (although political parties, with 76 per cent untrusting, came out worse.) The risks to charities' reputations from teaming up with companies are therefore obvious, and are widely acknowledged among charities themselves.

A report earlier this year by social marketing agency The Forster Company, *Collaboration in context*, included a survey of 34 of the top 150 charities, which found that 79% thought the media were more interested in their selection of partners than five years ago and 56% that the public were. Indeed, despite plaudits for its alliance with British Gas, Help the Aged itself has faced criticism for another of its alliances – with Nestlé, the food company unpopular for marketing breast milk substitutes in the developing world.

Risky business

Vanessa Doherty, a director at Business in the Community (BitC), says such dangers are inevitable. "When you go into a partnership, either as a charity or a business, you are exposing yourself," she argues. "These relationships are not without risk." What matters, however, is how charities manage that risk, and for Doherty that means finding the right partner and being transparent about why the partner has been selected.

How good charities are at this is

As charities and corporates are taking a more collaborative approach, both sides need to be clear in what they want from the relationship if it is to be successful. Peter Davy looks at potential pitfalls in failing to establish this clarity, and explores how the corporate partnership model is changing

uncertain. The Forster Company suggested charities were failing to use existing objective standards and benchmarks in determining who they partner with. Instead they were shown to often rely on more subjective evaluations, and while most have a written policy on partnerships this is rarely open to the public. According to Amanda Powell-Smith, a director at the company, such lack of clarity could provoke public cynicism of such tie ups, and exposes charities to more risk than necessary.

"It basically comes down to needing to have confidence in who you are and what you stand for," explains Powell-Smith.

Failure to do so, she suggests, meant the Institute of Cancer Research was made to look hypocritical earlier this year when it turned down a £30,000 donation raised by a sponsored pheasant shoot despite supporting testing on animals. The British Heart Foundation on the other hand was able to face down criticisms of its partnership with Gala Casinos by convincingly denying any conflict of interest in receiving money from a gambling firm.

Similarly, clarity about the objectives and scope of any relationship can free voluntary groups to make risky but rewarding alliances: witness Greenpeace's partnership with npower, a subsidiary of energy (and nuclear power) company RWE. By being clear in what it wanted from the relationship, and that it would retain its independence to lobby against the company in other areas, Greenpeace was able to play an important part in setting up the UK's largest offshore wind farm and helping to demonstrate the viability of renewable energy.

"What people really want to know is that the standards of the charity aren't going to be compromised," Powell-Smith points out. "That's what they worry about."

Unfortunately, according to Seitanidi, few charities are transparent enough in their partnerships to provide that reassurance. For her research, Seitanidi carried out in depth interviews with 75

people working in UK business and NGOs. According to her, many of the charities she interviewed identified a desire to change the business as a motive of their partnerships, yet most chose to exert pressure on companies solely behind close doors. WWF was the only example Seitanidi came across to use both private collaboration and, where necessary, public confrontation in its dealings with business. (Interestingly, it is also one of few whose partnership policy is freely available). Furthermore, many of the charities were also unable to explain when questioned how the aim of influencing company policy was implemented or provide evidence of its effects.

One reason might be semantics, as Seitanidi explains: "There's a lot of rhetoric. Charities call it a partnership because it's a fashionable term, but it's just playing with words." She argues that many relationships that are termed partnerships, such as charity of the year tie-ins, are simply fundraising or sponsorship arrangements in which by far the most important motivation is financial.

Even where the relationship is more complex, however, Seitanidi says that charities generally lack the capacity to have a significant influence on large corporations, so while volunteering opportunities might touch a large number of employees, company policies and culture essentially remain unchanged: a problem that's exacerbated by charities' reluctance to work together with other groups, such as confrontational NGOs, to change the business, and companies' tendency to choose charity partners with whom they are already ideologically close, thus minimising the partnership's influence.

The danger with all of this is that the public are led to expect more from the relationship than it can possibly deliver. "Charities need to be able to demonstrate what the partnership achieved so that society doesn't become cynical about these relationships," says Seitanidi. "When people see a partnership you don't want them to think it's just a greenwash; you want them to see that it's important and it really is delivering change."

More than money

One thing that might help is businesses' increasing preference for partnerships that seem to make more sense to the public. According to BitC's Doherty, many are now questioning the short term relationships that selecting a charity of the year, for example, allows, and are increasingly looking for longer term partnerships that are more integrated with their business needs.

Software giant Microsoft is a good example. In the last three years, the company has largely abandoned its ad hoc approach to partnerships and has moved towards a global programme aligned with the company's business: a digital inclusion scheme that sees charity partners help it provide IT training to under represented parts of the population.

Similarly, Prudential Property Investment Managers, 2005 winners of this magazine's UK Charity Award for Corporate Community Involvement, has two main partnerships – both of which relate to its core business. Prudential Grass Roots with BTCV and Prudential for Youth with crime concern help improve the environment and reduce crime, respectively, in areas where the company owns commercial property. This not only benefits the local population but also safeguards the value of the company's investment. "The reason we have these is that they are directly linked to a business need and therefore our business strategy," explains Paul Cornes, director of corporate responsibility. "That's also why they work, because it has to be symbiotic."

That, of course, remains the key to a successful relationship – mutual benefit. As Martin Blake, head of social responsibility at Royal Mail group explains, it's about both sides looking after their own interests. While charities should be absolutely clear about their aims, businesses should be equally robust in outlining what they want out of the relationship. Then both can see what the other is seeking. "Because if it ends up that it's all give and one side just takes, then it's not going to last," says Blake. "Both have to benefit, because it's got to be sustainable." Few charities would disagree. After all, that's what they've been telling business for years.

