



Doing Business *with* the Charitable Sector

BY GENA ROTSTEIN

Canada's charitable sector is a \$10 billion per year industry, so it only makes sense that businesses start looking at engaging in business relationships with charitable organizations.

The conversation of business and generating social capital has been in the news quite a bit lately with the collapse of Freddie Mac and Fannie Mae. Social enterprise or entrepreneurship is about putting the social need BEFORE the profit generation. In a recent conversation with Bill Cook, President of Ethan Allen, he pointed out, "it is hard to look at charities as businesses. The idea that philanthropy can have a financial return goes against the meaning of the word."

IN ITS ORIGINAL FORM, PHILANTHROPY IS THE LOVE OF MANKIND.

How you show that love differs from culture to culture. In North America, we have equated this form of brotherly love with financial measurements. Our tax laws promote this, our sponsorship programs promote this, and our "What's in it for me?" attitude promotes this. Therefore, it only makes sense to start looking at charities as business partners. Whether it is for cross-promotion and marketing purposes or to grow your own investor network, charities have the ability to strengthen what you offer.

How charities communicate back to their investors is not just based on the emotions generated but the societal impact measured by financial markers. Nicole Zummach states in her article, *Looking at new ways to measure the return on social investments*, "Economic value, simply put, is the financial return on an investment. Social value is created when resources, inputs, and processes combine to generate improvements in the lives of individuals or society. A non-profit social service organization creates social economic value when it frees up over-burdened essential services for the public sector."

HOW CAN BUSINESSES BE EXPECTED TO DO WORK WITH THE CHARITABLE SECTOR WHEN THE ECONOMY IS SHRINKING?

Isn't now the time to focus our energies on shoring up our current client base and not spend resources and capital seeking out new business through community partnerships? I would argue that now, more than ever, is the time to start thinking creatively about how you can leverage the relationships that you have with charitable organizations.

There are some distinct and obvious benefits that can be achieved by aligning your business with a charity. The Niagara Community Foundation, and several capacity building organizations, have created lists of those benefits. Here are just a few of the benefits that I have seen my clients gain by connecting with community on an investment level:

- Competitive advantage in attracting and retaining employees
- Closer relationships with community leaders and officials
- Greater customer loyalty
- Increased positive name recognition and brand awareness
- Leadership development opportunities for employees
- Enhanced reputation and standing in the community
- Beneficial business-to-business relationships with non-profits
- **A reservoir of goodwill within the community that can serve a company in a time of crisis**

– Niagara Community Foundation, *Creating a Giving Program*

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AS DONORS AND COMMUNITY INVESTORS, WHAT SHOULD YOU DO?

Now is the time to really be smart about your donations and who you align your business with. The most important thing that you can do right now is to educate yourself about the cause you are interested in and ask questions of those who are providing services for that cause...

- Know what the charitable marketplace looks like.
- If you are going to donate to a cause that has multiple organizations providing services, know and understand what differentiates this organization from the others.
- Once you have found a charity that is worthy of your hard-earned money, bring others on board. If you can grow your donation by getting others to match it, you will be generating greater impact and alleviating other stresses borne by that charity in seeking out funding.
- If you are concerned about governance or how your money is being used, ask the charity if they have adopted the Code of Ethical Fundraising and the Donor Bill of Rights.

CAN YOU AFFORD TO GIVE TO CHARITY? Canadians spend less than 1% on charity. We spend more than double on entertainment than we do on bettering our community. Knowing what we know about our current market situation, how can we afford not to invest in projects and charities that will support our society?

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In early September, I sat down with Harley Hotchkiss, a Calgary Flames owner, businessman, and philanthropist. We were discussing what he has learned over the years about philanthropy and community investing and he gave me his Top 10 List. I wrote about it in my blog (www.dexterityconsulting.ca/blog), and I want to share it with you again because as business owners and mothers, you cannot only relate, but perhaps may also find inspiration in his words.

THE LIST

10. Love what you do (charity), not because someone asked you to do it.
9. Get engaged personally before you write a cheque.
8. You will meet some of your closest friends through community activities.
7. Your priorities are family THEN job. Your job will provide you with the means to support your community financially, but your family is what connects you to that community.
6. You don't have to be wealthy to be philanthropic. (*Mr. Hotchkiss's first philanthropic activity was flooding the community hockey rink and coaching the kids.*)
5. When you are ready to give, it should "hurt" a little. If your donation doesn't make you consider giving something up (even if it's a latte a week) then you are not giving enough.
4. Talk to your kids about philanthropy. Don't place YOUR expectations on THEM. Let them discover their own philanthropic dreams.
3. Surround yourself with competent, energizing people – volunteers, other charitable investors, innovative employees.
2. Use your philanthropy to support innovation AND operations.
1. **YOUR PHILANTHROPY SHOULD BE ABOUT BUILDING COMMUNITY, NOT JUST GIVING MONEY.** 🍀

Gena Rotstein is a matchmaker between businesses and philanthropists, and the myriad of ways they can contribute to the charitable sector. In today's economic times when the value of a dollar is that much greater, knowing how to create the greatest social impact with your donations is critical. Gena's due diligence, sound advice and "get it done" attitude ensures you get the biggest bang for your social "buck". For more information visit her website and blog at www.DexterityConsulting.ca.



NON-MONETARY WAYS TO INVEST IN COMMUNITY

Besides investing financially in charities and non-profits, you can invest non-monetarily. These investments include in-kind donations of products and services; the sharing of intellectual capital and resources – typically on a strategic or capacity building level; and providing the opportunity for your family, friends and employees to participate as volunteers in the charities you have selected. Other ways that you can give back:

- In the evangelical community, prayer circles are also ways of generating social change.
- Host an event supporting your cause.
- Promote the organization or cause you believe in by telling others through social networking sites like Facebook, your company's website, or your blog
- Promote your favourite charity by wearing something with their logo on it, i.e. from your alma mater.
- Invite your friends and family to learn more about the charity you have chosen so that they can promote it to others.
- Create an opportunity to speak about the charity at your church, synagogue, temple, mosque or community centre.
- Attend community events where you can represent your charity of choice.
- Most especially, share your story with others – why do you believe in the organization that you are donating your precious resources to?