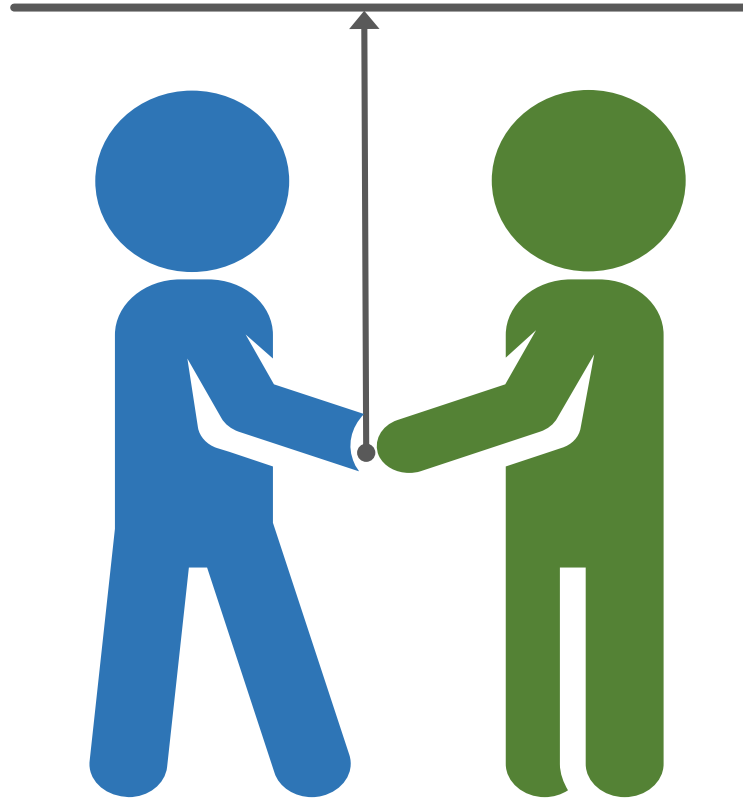


# Creating For Profit and Not for Profit Partnerships



Improve the  
World



Improve  
Enterprise  
Value

LFMA

Phoenix, AZ

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Presented by:

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Thorsten Consulting Group, Inc.

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10/2/2018

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# Opening Comments

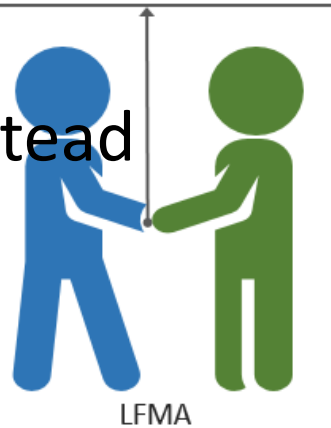
- How do we hop on this trend and add more value to our stakeholders and add more value to a For Profit Enterprise Value?
- Holy Grail - making money in a not for profit
- You are already doing this or exploring this concept as a financial vehicle in normal course of business (i.e. outsourcing, shared services)
- Avoiding Tax consequences



# What is Corporate Social Responsibility?

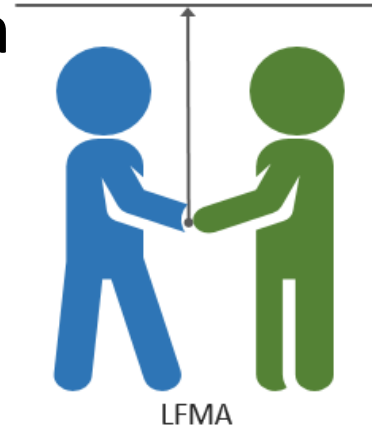
- Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable — to itself, its stakeholders, and the public. By practicing corporate social responsibility, also called [corporate citizenship](#), companies can be conscious of the kind of impact they are having on all aspects of society including economic, social, and environmental. To engage in CSR means that, in the normal course of business, a company is operating in ways that enhance society and the environment, instead of contributing negatively to it.

Source: <https://www.investopedia.com/terms/c/corp-social-responsibility.asp>



# CSR has become critical, a 2017 [study by Cone Communications](#)

- More than 60 percent of Americans hope businesses will drive social and environmental change in the absence of government regulation.
- Most consumers surveyed (87 percent) said they would purchase a product because a company supported an issue they care about.
- More importantly, a whopping 76 percent will refuse to buy from a company if they learn it supports an issue contrary to their own beliefs.



Source: <https://www.businessnewsdaily.com/4679-corporate-social-responsibility.html>

# Corporate Social Responsibility

- Millennials like
- Health
- Quality of life
- Pensions



# Social Investment

- The voluntary contributions companies make to support the well-being of communities, individuals, and/or environmental systems.
- Typically involves monetary grants to accredited non-profit organizations; employee volunteering; in-kind grants of products, services, technology, or physical assets; and partnerships formed to address specific challenges and improve conditions.



Source: Business Return of Social Investments

# Business Return on Social Investment

When done well, SI has the potential to generate financial returns that include:

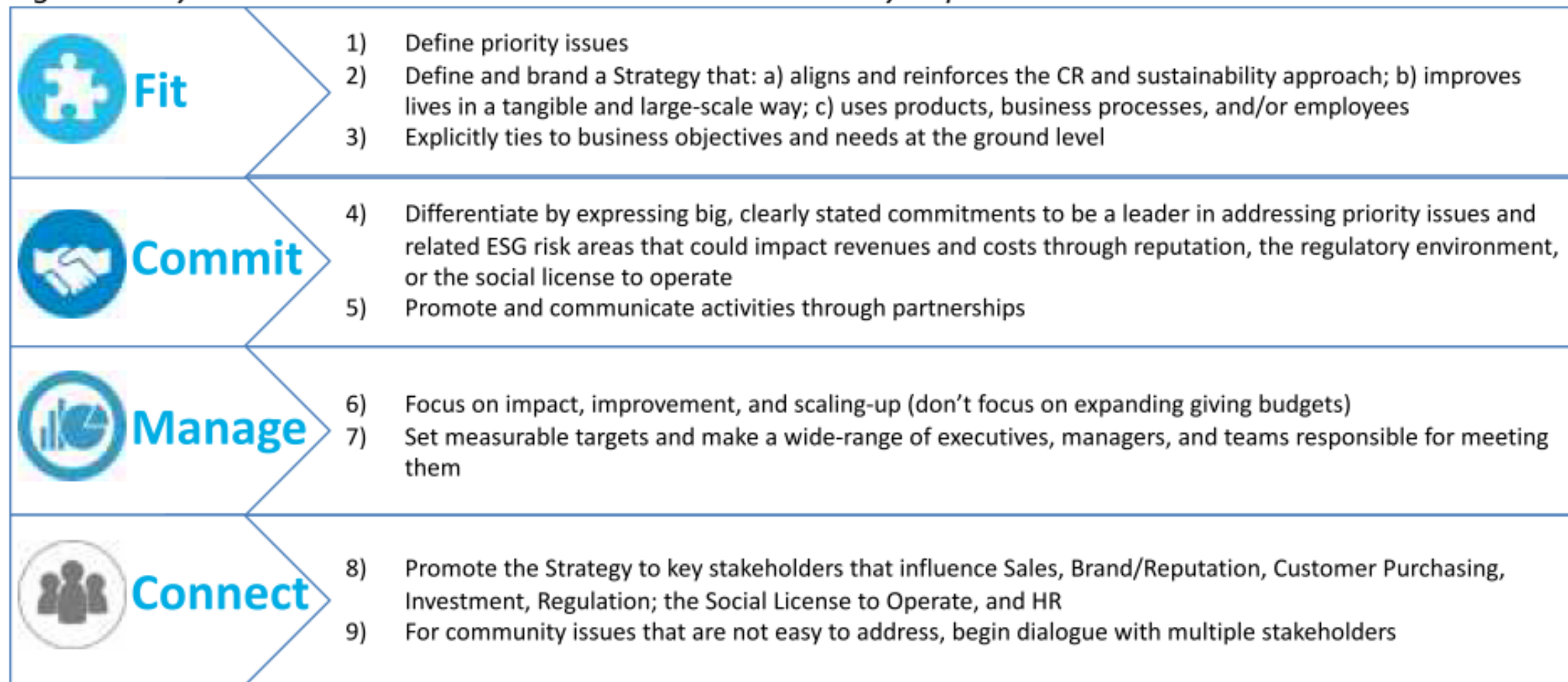
- up to a 6% boost in share price;
- a 20% increase in sales;
- a 13% jump in productivity;
- a 50% decrease in employee turnover;
- and a boost to reputation worth up to 11% of a company's market cap.



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Source: Business Return of Social Investments

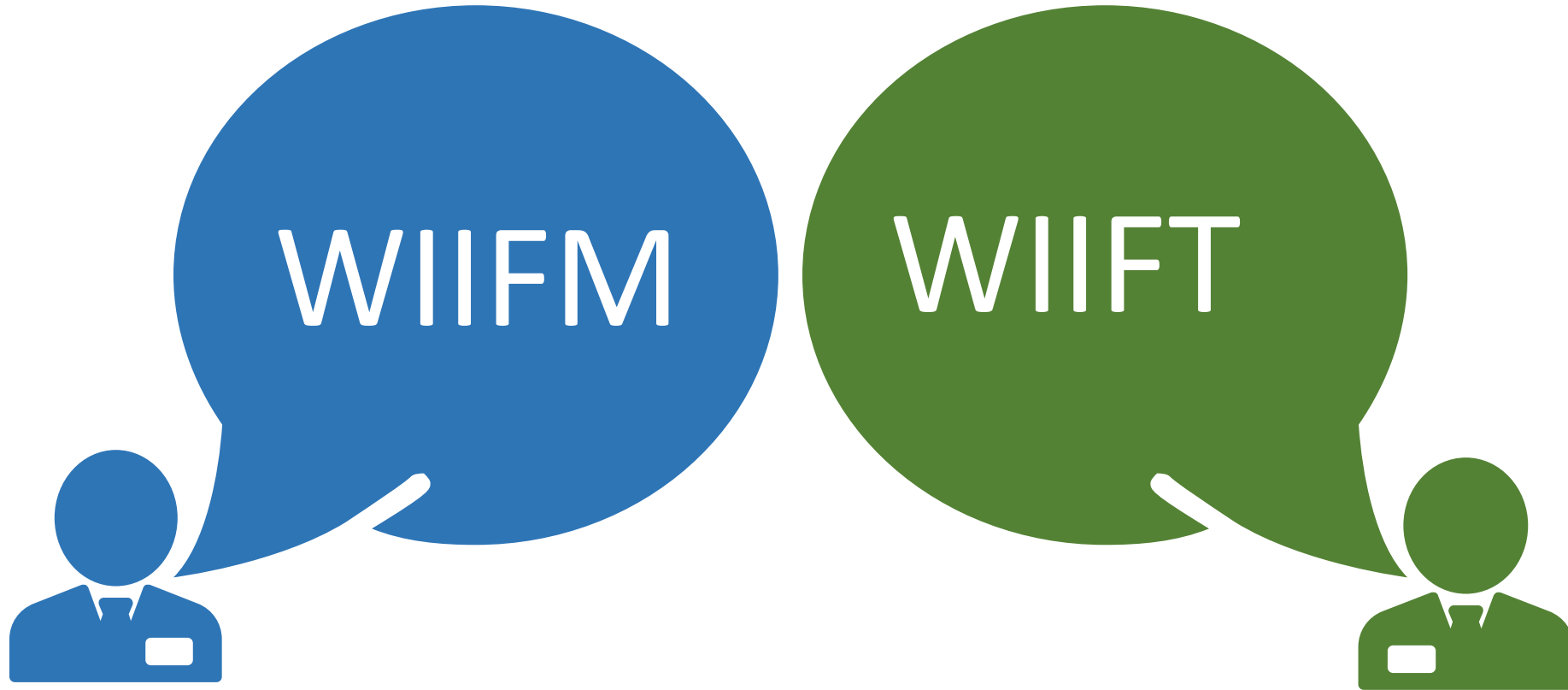
Figure 1: Key Practices that Drive Business ROI and Community Impacts



Source: Business Return of Social Investments

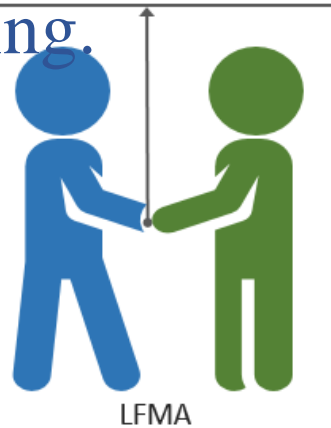


# Alignment



# WIIFM - Benefits for the Nonprofit

- Partnering with companies helps nonprofits reach financial and publicity goals.
- Depending on the type of partnership, the nonprofit may receive financial or material donations, or extra volunteer hours.
- Beyond this, the business becomes a promotional channel for the nonprofit and provides free public relations exposure and marketing.



# WIIFT – Benefits for the For Profit

- What are past relationships based?
- Partnerships between businesses and nonprofits should benefit everyone! Enter the concept of Corporate Social Responsibility.
- Benefits for the Business
  - Working with nonprofits can be highly fulfilling to founders and employees
  - Working with a nonprofit that resonates with the values of customers can improve consumer perception and trust.
  - It is also possible to directly drive revenue with programs such as donating a percentage of every sale for a particular promotional product.
  - Possible to impart “NFP Characteristics – Mission, Service, etc.”



# Business Model

- Priorities for each entity
- Viable Business - generates profits
- Key is alignment

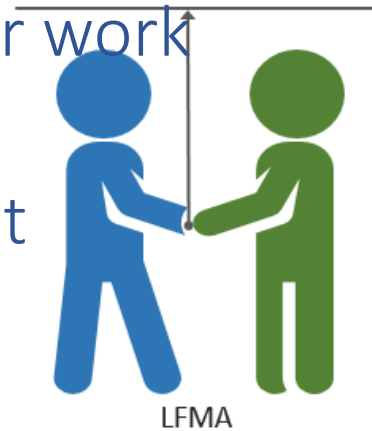


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# Types of Partnerships for Businesses and Nonprofits

There are a variety of common models of partnerships for businesses and nonprofits:

- The business makes a one-time or recurring financial or material contribution to the nonprofit (think: donating money or gently used products)
- The business pays employees their regular salary to do volunteer work for the nonprofit
- The business donates a percentage of every sale to the nonprofit



# Examples

- Shared services
- Shared facilities
- Leverage synergistic models



# THE Relationship



✓ Service

✓ Enterprise Value



# Relationship issues for Nonprofits

- Nonprofits usually operate on limited financial and human resources, but there are easy ways that they can create a positive and successful experience working with businesses.
- Create an open line of communication – Nonprofits struggle with human capital, but providing an open line of communication to the business is vital to business relationships. In turn, this can lead to more contracts signed and long-term relationships. Provide access to someone specific within the organization rather than a general customer service line or customer care email address.
- Provide a style and branding guide – Most companies will want to publicize the partnership. Upon signing paperwork to formalize the partnership, provide high resolution logo files as well as basic branding guidelines. This will make it easier for the company to create graphics and messaging to promote the program.
- Share partner media on social media and website – It is common for businesses to publish a press release to announce the partnership. If possible, the nonprofit should create a section of their website to publish partner press releases. Businesses might also market the partnership on social media or by creating videos. Re-sharing high quality media with appropriate branding will help these partnership programs grow, and is a sign of goodwill towards the business.

Source: <http://nonprofitinformation.com/business-partnerships-nonprofits/>

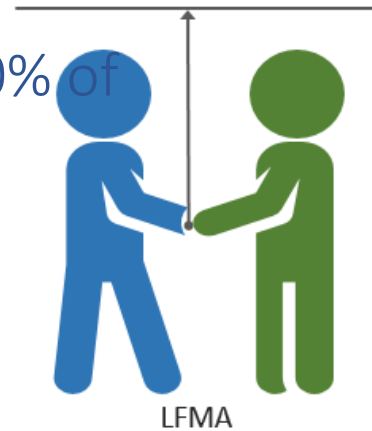




# Relationship Issues - For Profit Businesses

- Businesses are also responsible for the success of nonprofit partnerships.
- Create an open line of communication – Communication is never one-way, so businesses must be highly communicative to have a successful partnership. Interestingly, the most successful businesses keep their communication simple. Make sure that a single person is accountable for the partnership, and have this person keep the nonprofit representative up to date with struggles and successes of the program.
- Strictly follow requested branding guidelines – If a nonprofit offers branding guidelines and logo files, follow their guidance! Do not modify their logos or graphic files without permission, and use the messaging that they provide.
- Be swift in delivering what was promised – If a business offers to donate 10% of sales to a nonprofit, it is a best practice to generate reports and deliver the donation as soon as possible after the promotion ends.

Source: <http://nonprofitinformation.com/business-partnerships-nonprofits/>



# Mergers

- What about mergers, joint ventures, etc.?
- Compatibility of Missions
- Do not be Foolish
- CSSW and Froedtert



# Where should you like for opportunities? Where is the Fear? What social tragedies are awaiting to happen?

- Where is the Fear?
- What social tragedies are awaiting to happen?
- Who cares about the whales or owls? Few - Who cares about the loss of pensions? Everyone.



# Retraining displaced workers

- Government training programs
- Technology
- AI
- Automation
- Not in labor force



# Questions, Comments & Follow-up

- Questions
- Comments
- Follow-up
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