

From philanthropy to social utility

Companies, foundations and nonprofits all agree on the need to assess projects and partnerships. Beyond this common preoccupation, the ulterior motives are in fact different. For companies, an assessment is foremost a good internal communication tool on projects; for nonprofits, the main aim is to measure the benefit for the beneficiaries. For both of them, it is a way to be answerable to the Management Committee of the company or the Board of a Foundation or to the donors in the case of a NGO.

This difference of motives is one of the underlying reasons why assessing projects is not an issue. It is usually the role of the nonprofits which often choose projects that are measurable. On the company side, the level of expectations is weak when it comes to the content of the report and there are few control visits onsite and audits because of the lack of time and resources.

When the final report becomes a management tool of the partnership

The assessment is decided first, even before the signature of the partnership. The company and the NGO have shared their objectives, their limits and their own ethic to reach some criterion and indicators. The actors then decide on the partnership management with a team dedicated to it, as well as on regular meetings and onsite visits. The assessment is a continuing process and is reported on the management chart of the partnership. The sharing of information allows the actors to go further in the project, to face the unforeseen and to avoid surprises at the end of the partnership. Therefore, the performance of the project is accentuated and innovative solutions tend to emerge.

Companies are not sheer philanthropists; they need to communicate to breathe life into partnerships

Philanthropy now calls for compensation. Companies expect compensation through communication, which can take different forms: testimonies for internal papers, quotes in the local press or positive word of mouth. Yet, communication remains taboo on both sides. Companies are cautious not to address the subject frontally out of fear of being perceived as manipulators, and NGOs tend to underestimate the need for it. Though, communication is key for companies, it is a way to express some values and to reinforce the feeling of belonging of the employees. Indeed, it is definitely one of the criteria taken into consideration when rating agencies assess CSR policies.

Companies are soon going to commit more extensively on external CSR challenges

Nonprofits like Caritas or the Red Cross share the belief that social cohesion is about to become one of the major challenges in France in the years to come. The economic situation may confirm their position even sooner. The present debate on CSR mainly focuses on

internal issues; however the integration of the youngsters from the suburbs, as well as elderly citizens and immigrants will definitely be part of tomorrow's challenges. In developing countries, the issue of fundamental needs – access to water, energy, healthcare or education – will soon lead multinationals to help through their foundations and their expertise. Then, NGOs will have the role of mediators and of counsel on poverty situations as well as on access to those communities.

The search for an impact gives rise to new patterns

In a context which is hardening, companies will tend to concentrate their actions in order to have more measurable impact on their beneficiaries. This means that there will be less sprinkling on the projects and more partnerships on bigger long-running projects. The competition between nonprofits to raise funds will intensify and promote the professionalisation of NGOs actors.

This search for efficiency encourages the emergence of new models. From a mono-company project rationale, there is an evolution towards multi-companies partnerships or multi-partners (companies, NGOs, donors). The apparition of Foundations Clubs or the increase of projects from foundations, which aim at tackling new societal challenges, are now a trend. The launch of projects with both economical and social purposes (“social business”) to tackle the needs of poor populations (e.g.: partnerships Danone, Veolia or Crédit Agricole with the Grameen in Bangladesh) is now an innovative answer to this quest for impact.

Companies start to give social utility some thought

The search for an impact will give rise to an evolution in today's CSR policies. Moving away from an optional philanthropy policy, disconnected from the activity of the company and without compensation, the search for an impact will now place the subject at the heart of the company's strategy. In order to be efficient, the company will lean on its expertise and look for other partners. Its commitment on societal matters won't be limited to communication to stakeholders, but it will also give social utility some thought.

The assessment of social utility will enable nonprofits to increase their impact

The assessment of partnerships raises the issue of the impact of projects for the beneficiaries and therefore of their “social utility”. This complex concept is not measured by rating agencies because the frames of reference are multiple. NGOs acknowledge the difficulty to identify the right indicators to measure very different social situations. For a long time, Caritas France has carried out participative assessments including point of views of people in situation of poverty, as well as volunteers and partners. The assessment of social utility will soon become a challenge and give nonprofits the means to multiply their action, not just check that the money was well spent. If companies are still a bit cautious out of fear of illegitimacy, they will certainly evolve in that direction sooner than later: they are in a position to suggest a methodological approach to help nonprofits determine the relevant indicators on projects which are difficult to assess.

Ideas for progress in the relation companies / NGOs

	COMPANIES	NGOs
Encounter	<ul style="list-style-type: none"> – Favour direct contact when setting up projects 	<ul style="list-style-type: none"> – Target companies by researching them before sending an application
Selection of partners	<ul style="list-style-type: none"> – Show more flexibility as to criterion and be more attentive to the needs of nonprofits 	<ul style="list-style-type: none"> – Imagine being in the company's position and take its expectations into account
Management of partnership	<ul style="list-style-type: none"> – Go onsite and take part in Board meetings of the non-profit 	<ul style="list-style-type: none"> – Enrich the partnership with regular contacts and take part in some meetings of the company (e.g.: stakeholders committee)
Financing	<ul style="list-style-type: none"> – Accept to pay for part of the running costs 	<ul style="list-style-type: none"> – Thank the company for its financial support
Communication	<ul style="list-style-type: none"> – Express clearly the expectations, right from the start 	<ul style="list-style-type: none"> – Communicate on the partnerships internally to solve issues and externally (donors and even the media for bigger projects)
Ethics	<ul style="list-style-type: none"> – Acknowledge the freedom of speech of the non-profit, even within a partnership 	<ul style="list-style-type: none"> – Favour a dialogue by accepting to meet companies before judging them too quickly