

CORPORATE COMMUNITY PARTNERSHIPS: WHY DO THEY WORK?

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January 2006 – Companies are forming partnerships with non-profit organizations, government agencies and citizen groups to solve problems that affect the company and the community. Successful partnerships support the company's strategic business goals while meeting important community needs and expectations¹.

Many business leaders have come to recognize that the role companies play in communities can contribute to profitability by way of company image, exposure management, employee morale and customer loyalty. Successful partnerships can help companies enter new markets, attract potential employees and establish or strengthen company reputation and brand loyalty.

Businesses have developed partnerships to help provide new services in the community as well as to expand existing markets or enter untapped ones. For example, Wells Fargo has partnered with the National Association for Women Business Owners (NAWBO) to create a Women's Loan Program. The program's goal is to lend \$15 billion by 2013 to women-owned businesses. NAWBO and Wells Fargo also offer an annual \$5,000 Trailblazer Award to recognize an innovative female business-owner².

Another benefit of community partnerships is enhancing brand image. Companies participating in community partnerships can enhance the awareness and positioning of their brand and/or company. For example, research from Cone, Inc. shows that 86 percent of Americans think more positively about companies that support a cause they care about. The research was based on a 2004 survey of 1,033 adults³.

Many well known, successful corporate partnerships have enhanced their companies branding by highlighting their corporate responsibility. An example includes computer maker Dell and the National Recycling Coalition (NRC)'s partnership to provide best practices for e-waste handling to U.S. recycling professionals. This partnership helps communities across the nation that are struggling with the challenge of effective collection of electronics waste⁴. It is a mutually beneficial partnership because it provides a solution to computer disposal issues while appealing to environmentally conscious consumers, a win-win for Dell. In another well known partnership, Sears, Roebuck and Co. partners with the NeighborWorks Network of local nonprofit affordable housing and community development organization join to help families purchase and maintain their homes. They called this partnership the Sears American Dream Campaign⁵. By engaging in these community-focused partnerships, both Dell and Sears gain the trust and goodwill of consumers while generating positive media coverage.

The rise of community partnerships is proof that companies that have acted independently of one another in the past can often create better results when working together. Community partnerships are built on shared strengths of companies and their partners. Partnerships typically involve both a benefit and a risk element to all parties involved⁶. Benefits to companies include providing new services in communities, developing trust and goodwill, enhancing brand image, and attracting and retaining consumers who believe in their causes.



¹ Corporate-Community Partnerships: What Makes Them Work, Why They Fail, www.bccccc.net, 2006 Conference, [Accessed January 27, 2006]

² Wells Fargo's Women's Businesses Services Program Increases Lending Goal By 50 Percent To \$15 Billion (www.wellsfargo.com, News Release, June 21, 2002) [Accessed January 27, 2006]

³ Multi-Year Study Finds 21% Increase in Americans Who Say Corporate Support of Social Issues is Important in Building Trust, www.coneinc.com, Press Release, December 8, 2004)) [Accessed January 27, 2006]

⁴ Dell, National Recycling Coalition To Offer Computer Recycling Training Program, www.dell.com, Press Release, September 16, 2003 [Accessed January 27, 2006]

⁵ Sears American Dream Campaign, www.searsamericandream.com, [Accessed January 27, 2006]

⁶ Dennis R. Young, "Corporate Partnerships: A Guide for the Nonprofit Manager," National Center for Nonprofit Enterprise [Accessed January 27, 2006]

