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Philanthropic Marketing

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Protect Your Brand Establishing Corporate Relationship Guidelines

One of the more effective and proactive steps a nonprofit organization can take to protect its brand is thoughtful development of corporate relationship guidelines. The umbrella benefit of having comprehensive guidelines is that they are a tool to help organizations minimize risk by creating a framework to help protect your organization from entering into potentially damaging corporate relationships. Guidelines can also be viewed as somewhat freeing, meaning that your nonprofit can stand behind guidelines when presented with opportunities that don't seem right for your organization.

Your guidelines can serve multiple purposes for several end users. They help to ensure that everyone in your organization who has any connections to corporate relationships is aware of your policies and procedures. They help chapters and affiliates develop their own corporate partnerships and understand where local relationships fit within a national framework. Also, they can educate and manage the expectations of your corporate partners on what your organization allows.

Here are best practices and recommended elements to consider when developing or updating your organization's guidelines.

Lead with the purpose. A great way to frame your guidelines document is to explain why your organization has decided to create guidelines. The introduction can speak to the importance of protecting your brand, mission and constituent trust and it can address how the guidelines explore good business practices as well as ethical considerations your organization may face in developing corporate marketing relationships. You may want to reinforce that the guidelines are designed to make the relationship development process more streamlined. You can also modify the introductory explanation based on who will receive the guidelines, notably if you are preparing a version for partners themselves.

Define your terms. It is often helpful to create a definition of terms to ensure that everyone reading your guidelines is familiar with your organization's internal vocabulary. For example, terms such as sponsorship and cause-related marketing may mean different things to different audiences, so it is a wise idea to begin guidelines with clear definitions of how you use terms within your organization.

Clearly define inappropriate business categories. The most common element found in many nonprofit guidelines is clearly defined industry categories prohibited for your partnership with your organization. The old standard prohibited categories of alcohol, tobacco and firearms should still be represented, if relevant, but there are many other considerations in determining what categories are appropriate for your organization. In fact, most nonprofits have experienced layers of nuances within business categories that may or may not be deemed appropriate—a growing gray area. Tobacco is not permitted, but some major packaged goods companies are owned by tobacco companies. Should that be allowed? Where do you draw the line? The answer is very specific to your organization, yet that is a nuance you should define in writing.

Identify ethical considerations. But what about the gray area of allowable businesses—that is to say, what are the ethical considerations around potential partners? In recent years, several companies have been cited, either by civil rights organizations or through negative press, with racial or ethnic discrimination. Are those companies appropriate as partners for your organization? How would their offending behavior resonate with your constituents if you took them on as a partner? If you are considering partnering with a company with this sort of history, what is the statute of limitations for bad behavior? Again, the answer is not black and white, but if the offending incident took place ten years ago and the company has made concerted efforts to revamp its hiring and customer service practices, that may be an indication that the company is safe to pursue. What if a company's product experienced a major defect that resulted in consumer injuries, resulting in a major product recall? Does that product recall affect the way your organization does its job or meets its mission? Are any of your core constituents impacted by this company's actions or product defects in ways that would make your organization look irresponsible in partnership? And what happens if an incident occurs after you sign on a partnership? In the case of protecting against incidents that may happen in the future, it's best to put an "out clause" in your agreement that allows you to get out of a relationship if a partner does something that could be damaging to your organization. Keep in mind, though, that many partners may ask for a mutual "out clause."

These types of ethical considerations typically warrant discussion on a case-by-case basis. In addition to doing your own research on the company's track record, you may choose to conduct an opinion poll or focus group among key stakeholders, such as staff, board of directors, volunteers, donors, members or the general public before you make a decision. Eventually you may decide, upon careful reflection and brand consideration, that the company has proven itself reformed and has potential to be a great, mission-driving partner for the organization—meaning this just might be a calculated risk your organization is willing to take. If that's the case, just be prepared to explain your partnership decision should you be asked about it, and prepare the partner to be ready to respond to questions about the relationship as well. A good offense such as "we had the full support from our board and chapter presidents" is the best defense. If, however, you determine there is any potential for serious negative fallout that will affect the way your organization does business, then such a partner is probably not right for you at this time.

Some great resources for researching companies to help you determine the overall quality and reputation of a prospective partner's company and brands include the Better Business Bureau's online search function to research business-related complaints (<http://search.bbb.org/>). *Consumer Reports* is also a great resource for determining the quality of a product within its product category. You should talk to references from other organizations with whom the prospective partner has been

tied in the past to confirm the company's good standing as a partner and ability to implement a successful partnership.

Outline jurisdiction for local entities. There is a lot of discussion with national nonprofits about what types of corporate partnerships local chapters or affiliates should be allowed to pursue. In many organizations, local entities of national nonprofits operate somewhat autonomously within the overall national framework while also addressing locally-specific elements of the organization. Ideally, corporate relationship guidelines from the national office should give local chapters a structure to work within for their own sales efforts, such as detailing appropriate business categories. For example, you may outline that there are categories, such as packaged goods manufacturers, restricted to national partnerships only. Yet in the spirit of cooperation, you allow certain categories to be sold only within local jurisdictions, such as grocery retailers, meaning that the national office will not pursue partnerships in those categories. These types of national/local category restrictions vary by nonprofit industry.

Guidelines also can define the geographic boundaries within which local partner promotions may be conducted. The sentiment may be that local chapters' sponsors may promote only within their "own backyards," but a clearer definition may be helpful, such as allowing promotions within the chartered geographic area of the local chapter. Remember, guidelines seek to aid your chapters in making smart partnership decisions, so guidelines should help locals set realistic promotional expectations. Additionally, geographic restrictions may speak to the means that local chapters communicate partner promotions. For example, some national nonprofits restrict the sales of locally-developed cause-related marketing products on chapter websites because Internet sales cannot be constrained within geographic boundaries.

Clearly define business structures. In the interest of protecting your brand, there are also certain types of partnership business structures that your organization should consider avoiding and that should be reflected in your guidelines. While a prospective partner may pass the filters of allowable business categories and acceptable business practices, that does not automatically make that company the right partner or right opportunity for your organization. A company may propose a partnership structure that could be detrimental by posing too much risk to the organization for a questionable financial upside. For example, some nonprofits prohibit fundraising partnerships that require a big upfront out-of-pocket expense on their side or require their volunteers to sell a partner's products.

Another hot issue around partnership business structures is category exclusivity. You may decide that a blanket policy against any category exclusivity is the safest stance for your organization. However, consider that this is a top benefit for many companies engaged in partnerships and typically the greater degree of exclusivity, the greater value to a partner. Some organizations allow category exclusivity only within specific programs or events. Some allow organization-wide exclusivity but not to categories endemic to their industries. This is most common with health- or disease-related causes and pharmaceutical and medical-related industries.

One more business structure issue nonprofits often face involves control and approval over partnership elements such as content, programming, branding, etc. In addition to meeting your organization's branding standards and appropriate messaging reflected in partner promotions, products or collateral,

partnership content and context should be approved by your organization before materials go to press or are posted online. This can be a quick process of reviewing and approving the content, but by building that requirement into your guidelines—and ultimately into any written agreements—you are best positioned to maintain overall control of how your brand is represented.

Secure internal buy-in: A final important guidelines issue relates to getting everyone in your organization on board. Rather than developing guidelines in a vacuum, whether you are in the national headquarters or at a local chapter, a great best practice is to gather input from all the affected people within your organization. Ask probative questions about business industries and the gray areas within. Discuss potential negative scenarios for allowing certain businesses as partners to help guide you in the decision of what is allowable. If you are a headquarters office, talk to key local entities about categories within which they've had great success as a means to identify industries that should be kept local versus those you want to keep national. Engage your leadership and even key donors to get their perspectives. Utilizing this sort of task force, even an informal group, can help to identify issues you'd not considered as well as help you secure buy-in within the organization on the whole, which should foster acceptance, implementation and sustainable partnerships.

One last note: While guidelines may put in place “the rules,” guidelines' real value is when they are used as tools to guide individuals and organizations to use good judgment and to form the right partnerships.

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