

CALEDON



INSTITUTE OF  
SOCIAL POLICY

*Perspectives*  
*on*  
*Partnerships*

**Social Partnerships Project**  
**Caledon Institute of Social Policy**

**June 1998**

ISBN # 1-894159-13-6

*Foreword*

*Perspectives on Partnership* is a collection of readings on collaborative working arrangements. Its purpose is to provide a forum for different viewpoints. Partnerships are strategic alliances which involve a sharing of resources and responsibility to achieve a common objective. They can help complement government programs by bringing new resources to promote economic and social well-being. They also can encourage the development of creative solutions to complex community problems.

But partnerships themselves come with their own inherent problems including accountability issues, power imbalances and ethical concerns. We asked authors from different sectors to present their views on the strengths and weaknesses of partnership arrangements.

With experience in philanthropy and social marketing, *Gillian Kerr* and *Rod Lohin* write about the payoffs and pitfalls for voluntary organizations engaging in collaborative initiatives. Implications, risks, ethical issues and guidelines are also discussed.

*Jim Mintz* from Health Canada writes in collaboration with *Mark Hudson* and *Barbara Lebrun* about the advantages of partnership from the perspective of a federal government department. The authors believe that the combined experience and expertise of government, the private sector and nonprofit organizations help multiply the resources available to communities. They describe Health Canada's experience with strategic alliances and specify what is required for a government department to become 'partnership-oriented.'

*Walter Paetkau* explores the idea of collaboration from the viewpoint of a large social services agency in British Columbia. He describes the importance of partnerships to his nonprofit organization and addresses the issue of competitiveness between nonprofits with respect to solicitation of funding.

A former city councillor, *Joan Roberts*, illustrates how the City of York's municipal government brought together representatives from a variety of sectors to create a community economic development initiative. The goal of this partnership was to build a socially and economically healthy community.

*David Stewart-Patterson* with the Business Council on National Issues looks at the impact of public expectations and competitive pressures on corporate attitudes to community investment. Businesses are moving away from the zero-sum notion that greater contributions to the community can come only at the expense of shareholders. Instead, there is a focus on partnerships that add both to the strength of the community and to shareholder value.

We hope these perspectives contribute to the ongoing dialogue and debate about partnerships.

*Pamela Mollica*  
*Coordinator, Social Partnerships Project*

*Social Partnerships in the Voluntary Sector*

Gillian Kerr and Rod Lohin

***The problem***

With few exceptions, voluntary organizations depend heavily on the support of businesses and their employees in three ways:

- indirectly, in the form of grants from federal, provincial and local governments generated through taxation
- workplace fundraising and corporate donations through federated charities, such as the United Way and Health Partners
- directly, in the form of donations and volunteerism from businesses and employees.<sup>1</sup>

In recent years, indirect support of voluntary organizations through taxation has been cut. Governments at all levels have reduced funding for health, education, income support programs and social services. Corporate support for federated fundraisers generally has remained flat. As a result, many voluntary organizations have been forced to reduce service levels while responding to a more competitive fundraising environment.

***The response***

In some desperation, voluntary organizations have turned to the private sector for additional and direct support through ‘social partnerships.’ Suddenly, there is intense interest among nonprofits in how to collaborate with business to generate resources without abandoning their principles, apparently trying to follow F. Scott Fitzgerald’s advice: “Don’t marry for money – go to where the money is, and then marry for love.”

The primary focus of this paper is partnership at the level of the individual corporation or voluntary organization. Social partnerships at this level are mutually beneficial relationships between private and voluntary organizations which have made a ‘deal’ with each other. In contrast to government taxation or federated fundraisers, the relationship is not anonymous. Participating organizations exchange resources for something of value, such as bolstering public image or providing exposure to key markets. There are many potential benefits to partnerships; however, there are also risks.

***Changes in philanthropy***

Many businesses are beginning to recognize that social problems are a shared responsibility and that the public expects them to do their share. For these corporations, ‘good corporate citizen-

ship' – or traditional corporate philanthropy in which donations are made quietly and with 'no strings attached' – no longer appears to be enough. According to Courtney Pratt, Chairman of the Board of Noranda Canada:

To meet the challenges of this new environment, the private sector must find new and creative ways to support communities that go beyond financial support. Companies have within them an enormous range of skills, expertise and other resources that communities need. Increasingly, we are seeing corporations make in-kind contributions of goods and services. Encouragement and support of employee volunteering will be critical to ensuring that charitable organizations have the 'people' resources to do their job. We will have to expand our notion of corporate citizenship by taking a degree of ownership for solving the problems that society is facing [*Globe and Mail* 1996].

To help think through this expanded new role, some businesses have embraced 'strategic philanthropy' which focusses their giving upon causes that bring both indirect and direct benefits to the corporation. In a relentlessly competitive environment, corporations are looking for anything that can give them an edge, including their philanthropic budgets. This is not necessarily a selfish or cynical approach. Businesses often believe that they can deliver more benefits to their stakeholders and mobilize more resources than by remaining at arm's length. For example, some major banks increasingly are linking their philanthropy to their business interests. According to John Ferguson, Senior Vice-President, Corporate Communications and Public Affairs, CIBC is focussing its philanthropy primarily on 'community economic development' – i.e., helping communities and individuals become more economically self-sufficient [Ferguson 1997].

Corporations often support specific causes as an incentive to consumers to select a particular company's products. This support is called cause-related marketing. A well-known example is The Body Shop's campaign Against Animal Testing. One recent survey carried out by Market Vision 2000 reports that, when faced with virtually interchangeable products, two-thirds of consumers said they would make a decision based on which company endorses causes they support [Market Vision Study 2000 1993].

Corporations also are engaging in partnerships with specific voluntary organizations in support of issues of concern to both parties. Some 'partnerships' are actually philanthropic relationships: A major donation to a university, for example, carries considerable public recognition for the donor. Other partnerships are more complex, oriented towards specific social change objectives and are long term in orientation. These partnerships may comprise several elements such as cash contributions, shared revenues, volunteer assistance, free products and services, and joint marketing.

### *An example*

Kraft, a major Canadian food company, recently reviewed its philanthropy and public affairs function. Based on this review, Kraft developed a broad philanthropic strategy called “Feeding Families” that helps guide its activities.

Although still a supporter of United Way and a leader in the food industry in its support of food banks, Kraft decided to play a more direct role on the issue of hunger. As part of its strategy, Kraft enhanced its partnership with the Canadian Association of Food Banks (CAFB) to help tackle the *problem* of hunger in addition to *respond* to hunger. For CAFB, a key difficulty was the stigma often attached to food bank users. Kraft agreed to support the development of an anti-stigma campaign for television and print advertising. The campaign promoted the idea that “hunger doesn’t discriminate” – that food bank users are ordinary people in extraordinary circumstances.

CAFB had the credibility and the need to promote this message. Kraft had the financial and marketing resources. Through this partnership, CAFB achieved one of its primary objectives – i.e., to educate the public about food banks and their users. Kraft, a largely ‘silent’ partner, met its objective: to act directly on the problem of hunger, an issue of great importance to its business. Neither partner could have achieved these ends as successfully without the other.

### *Implications*

A more strategic approach to philanthropy, including partnerships, holds promise. But it is critical to note that social partnerships cannot replace the loss of government policy or funding leadership. Governments, corporations and voluntary organizations sometimes assume that partnerships can make up for reductions in funding or can help provide leadership on any issue in the absence of government.

The most efficient means of ensuring programs and services is still the collection and distribution of taxes. While voluntary organizations may be efficient on a small scale for specific populations, public funding is still necessary to ensure access to universal programs and services (such as health care and education) to an entire population. Public funding also protects unfashionable programs and services that are less likely to attract partnerships.

In Canada, many concerns about social partnerships are being voiced, particularly about causes or services that may not be as attractive to corporate partners: “And so the promotion of private sector funding by governments is a weasely way of simply dropping from the social fabric a lot of pesky minority interests, most of which have not a hope of being picked up by the self-interested private sector” [Lemon 1996].

There are also concerns about ethics. “Criticisms [of cause-related marketing programs] include claims that [they] exploit the constituencies of charities, that they turn human suffering

into a commercially saleable commodity, that they pressure charities to modify their programs so that they are more marketable, that only popular, visible causes receive corporate support, and that they promote overly simplistic solutions to complex social problems” [Baylin 1994].

In any partnership, clarity about objectives and vigilance about activities are required. Both voluntary organizations and businesses need to understand that the ends do not necessarily justify the means. The challenge is to negotiate a partnership with clear objectives and activities without compromising either partner or the interests of the people who will be served.

Still, there are several risks. One is the problem of developing a partnership that does not become a millstone around the neck [Andreasen 1996]. When a corporation makes a donation to a federated charity, there is some insulation against criticism. Agencies receiving United Way funds, for example, do not have to defend the conduct of every corporate donor. In return, donors do not need to defend themselves when an agency funded by the United Way goes through a scandal. When agencies and corporations join together directly in a partnership, that insulation is removed and the partners can be exposed to each others’ problems. Our advice is the same as with human relationships: Know your partner well and use the proper protection.

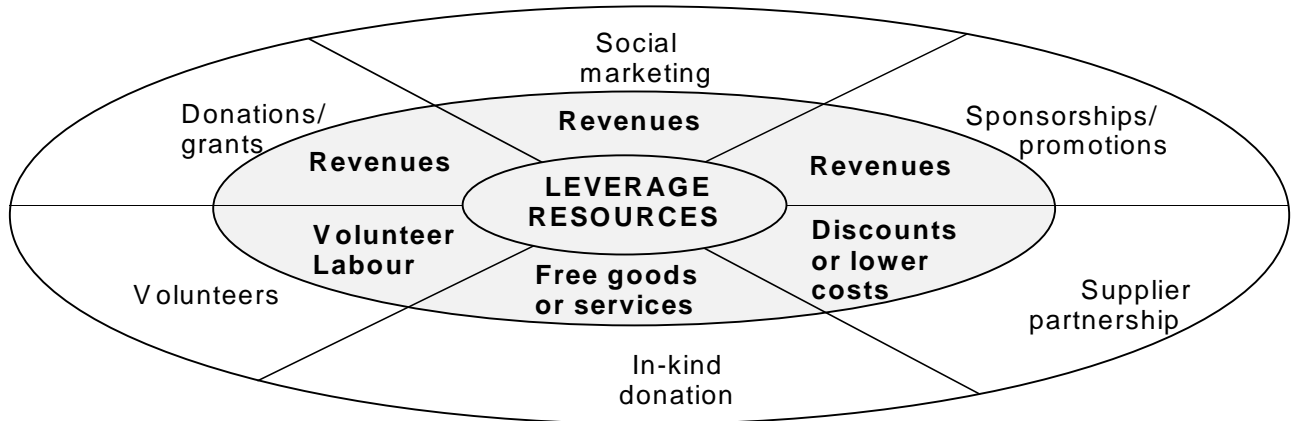
A broader risk is the potential replacement of anonymous forms of giving – of corporate citizenship through taxation or community-directed contributions – with ‘vanity projects’ exclusively meeting market needs. Individual corporations, voluntary organizations, federated fundraisers and governments may find it difficult to balance these two types of investments.

### *Means to an end*

Partnerships can help solve problems that require the credibility, expertise and resources of organizations from different sectors. But the potential of partnerships must be balanced with their limitations and should be entered into cautiously. They are means to certain ends, not ends in themselves. Keeping these ends clear and developing the right means to reach them are not always easy.

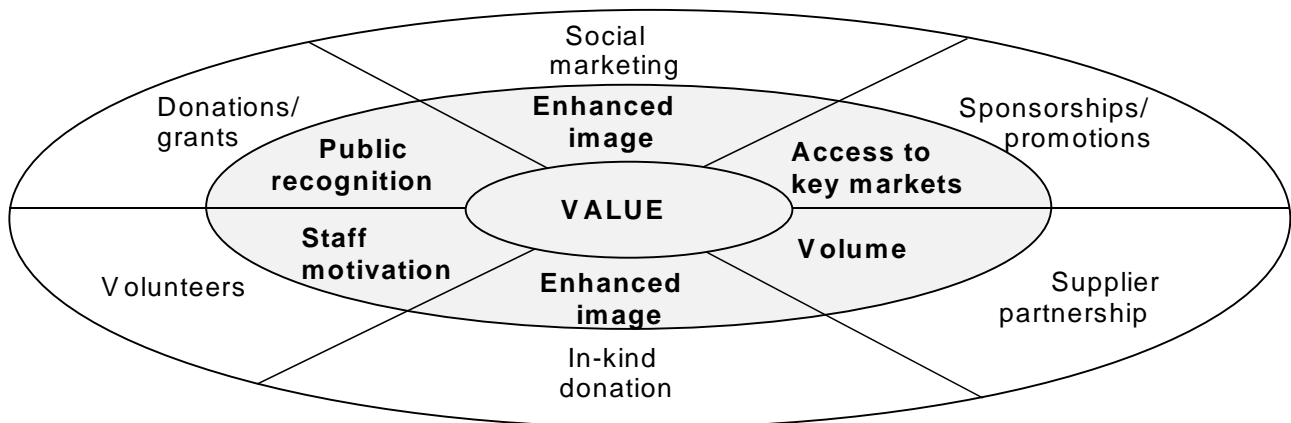
For most voluntary organizations, the objective is to *leverage resources* from the private sector in support of their mission. Support could come in the form of:

- joint social marketing of an issue
- premiums raised from cause-related marketing
- fees from sponsorships and promotions
- discounts from suppliers
- in-kind donations of products, services or advertising
- volunteers
- grants or donations.



For businesses, partnerships should deliver benefits relevant to their business interests and stakeholders including customers, employees, shareholders and government regulators. Businesses which engage in a direct relationship with voluntary organizations believe that by doing so they can *deliver value* to their stakeholders. Businesses explicitly value:

- joint action on, or association with, a social issue
- recognition of the corporation or enhancement of its image or profile
- increased brand equity, awareness or sales
- volume purchases
- employee motivation
- return on their philanthropic and marketing dollars.



The above figures show that any one partnership may have many different elements and provide different benefits to each partner.

***Partnership guidelines***

Negotiating a partnership can give rise to difficult questions; being prepared for them is essential. Organizations require guidelines for partnerships to help answer the following questions:

- Is a partnership consistent with the organization's mission or statement of principles?
- Is a given partnership consistent with the organization's strategic, marketing or fundraising plans?
- Are there any limitations on partnerships (e.g., tobacco companies, political advocacy)?
- Are all potential partners sound, credible organizations which can withstand public scrutiny?
- Who develops, controls and owns materials associated with a partnership?
- What are acceptable benefits to each partner? What are acceptable risks?
- Will a partnership actually help the organization do its work or meet its objectives?

This final question is extremely important to all partners. The partnership actually must contribute to achieving all partners' objectives. Clarifying and balancing these objectives is essential since it is all too easy – and common – to design a project around one partner's needs and not the others' needs.

Another issue is the impact of the partnership on the community it purports to serve. Particularly in the case of partnerships to enhance service delivery, the needs of the service recipients should be kept at the forefront. A social program, like any product, should have customer input into its design and implementation. Many programs sound great (e.g., soup kitchens) and may be attractive to potential business partners. Nevertheless, they may not be the most effective way of dealing with a community's problems. Moreover, many partnerships have come to grief because the most effective service or action was insufficiently gripping to focus groups.

Once objectives have been clarified and a program of action has been developed, partners must be willing and able to deliver on their agreements. Some voluntary organizations are experienced and capable partners and make promises about targets and results that they can keep. Others, due to inexperience or limited capacity, make promises that turn out to be unrealistic. Many businesses treat volunteer commitments as seriously as they do paid ones, but this is not always true. Because much up-front work is necessary in developing a partnership, involving a significant investment of time for both partners, delays, disagreements or outright pullouts can result in a massive waste of time, effort and resources.



## **Conclusion**

The broad partnership between governments and citizens is currently undergoing much change including downloading, fiscal restraint and questions about the role of government itself. For the voluntary sector, corporate partnerships are emerging as one response to these changes.

On their own, partnerships cannot replace a vacuum of policy leadership or public funding for important programs and services. At worst, partnerships can obscure the ends towards which society should be working and focus businesses and voluntary organizations on the means.

However, researched carefully, with mutual respect and a clear sense of the ends to be accomplished, partnerships can deliver value to businesses and help voluntary organizations generate new resources. As such, partnerships may be an important step towards helping the different sectors work together directly in order to build a stronger civic society.

## **Endnote**

1. The 'voluntary sector' is the system of nonprofit organizations led by volunteer boards (also called the charitable sector, or the Third sector). Hospitals, universities, colleges and schools are not typically included in this definition, although some have voluntary boards and are formidable at fundraising and forming innovative partnerships.

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***Partnerships: Governments' New Math***

Jim Mintz, with Mark Hudson and Barbara Lebrun

In its effort to positively affect the overall well-being of Canadians, Health Canada strives constantly to heighten awareness, modify attitudes and encourage behavioural change. Over the past few years, diminishing federal resources and other pressures have compelled the government to seek innovative ways to convey health messages and promote social change. Every sector – governments, nonprofit and even private – has to work with fewer resources.

But organizations are doing their homework and are discovering that pooling resources garners the biggest impact. Instead of throwing isolated shots, they are learning that partnerships increase the bottom line, expand the reach and impact of projects, and can enhance an organization's image and credibility. When adding up resources, the federal government's 'new math' is partnerships. Sharing and increasing the value of resources is what partnerships are all about.

***Why partnerships?***

It simply does not add up to do it alone today. It is becoming evident that governments no longer can fund and support all of the programs needed to deal with societal issues. Combating increasingly complex societal/health problems and issues with decreasing resources has led governments at all levels to develop partnerships and strategic alliances with the private sector.

Many businesses in Canada are now acknowledging that they have a social responsibility to become involved in issues that affect their communities, their customers and their employees. In addition, consumers are demanding social responsibility from companies with which they do business.

As a result, more and more companies are becoming involved in government programs that deal with societal issues because they want to demonstrate that they are not part of the problem, but part of the solution.

Additional benefits for all partners include:

- improved delivery of message
- increased credibility of the program
- increased influence on the target audience
- opportunities to educate and influence partners, their staff and clients
- additional and leveraging of resources (financial, human, expertise and in-kind)

### ***Health Canada's experience***

The Partnerships and Marketing Division (PMD) initially formed strategic partnerships with other levels of government, nongovernmental organizations (NGOs) and professional associations to market health messages and programs. In 1987, a decision was made to explore partnerships with the private sector. The Program Promotions Division (now Partnerships and Marketing Division) recognized that the private sector had a role to play in health issues, and that strategic alliances could benefit its social marketing campaigns and other health programs. Private sector partnerships offered the potential of amalgamating Health Canada's expertise on health and social issues with the extensive expertise and resources of large and medium-sized corporations. Most importantly, these alliances would enhance the health strategies designed to promote public education and responsibility.

In 1988, Hilroy became our first private sector partner. Working together on Canada's Drug Strategy, the Department was able to use Hilroy's extensive school supply distribution network to communicate with young people and their families on alcohol and drug abuse issues. Our messages appeared in over 1.2 million Hilroy binders and on the back covers of 13 million notebooks. Since then, we have worked with more than 125 private sector companies, NGOs and other government departments, which together have contributed almost \$60 million in financial and human resources, and support-in-kind. The Department now estimates that it generates approximately \$17 for every dollar invested.

### ***Becoming partnership-oriented***

It is important that the partnership philosophy be ingrained in an organization's culture. The Partnerships and Marketing Division did not start out knowing exactly what to do. We worked at it by initiating many pilot projects and evaluating the results. At first, while we recognized the value of partnerships within our work, the in-house expertise had to be built up. There were many pilot projects, experiments, discussions and fact-finding missions, lots of thinking, planning and strategizing, and finally, much communication and scores of presentations to senior management and the Minister's staff to convince them that partnerships with the private sector would increase significantly the impact of our initiatives. After a few years of implementing partnership projects, the marketing unit began integrating the partnership concept into all of its activities.

Reorientation of staff was an important element. We contracted marketers who already had experience in working with the private sector to work alongside and encourage current staff to think in terms of private sector partnerships. The communication among management was strong; they knew about projects early and were kept informed of all partnership activity on an ongoing basis.

Perhaps the most important task was to develop partnership guidelines that outlined how we should operate and set our boundaries for working with partners. PMD, in conjunction with other parts of the Department, created its *Guidelines for Working with the Private Sector*<sup>1</sup> which defines a

partnership; sets standards and principles; outlines eligibility criteria, letters of agreement and implementation; and presents evaluation measures. Determining guidelines beforehand helps us make objective decisions during negotiations [Health Canada 1996].

As a result of successful partnerships, we are now able to reach larger and more targeted groups in an efficient and cost-effective way. To do this, the Division taps into a company's established distribution network, extensive marketing expertise and enhanced credibility with certain target audiences to gain a greater 'reach' for its messages. Most notably, private sector partnerships have helped increase the impact of the Department's social marketing campaigns.

For instance, several years ago Health Canada, the Canadian Association of Chiefs of Police and the Toronto Blue Jays partnered to launch the *Jr. Jays Magazine* and the Kids' Club to youth aged 7 to 12 across Canada. Together, the organizations approached nine major corporations<sup>2</sup> to help offset the cost of printing and distribution. Launched in April 1992, the goal of the magazine and the Kids' Club is to promote healthy lifestyles to young people. Health Canada messages appear in over 1.2 million copies of *Jr. Jays Magazine*, which is distributed annually, and in the *Jr. Jays Newsletter*, which is distributed three times yearly to more than 200,000 children. In addition, various Sunday newspapers carry serialized comics nationwide and YTV airs *Junior Jays Sport of the Week*. A major initiative similar to the Junior Jays is now being developed with the Montreal Canadiens hockey team.

### *Convincing potential partners*

At first, some companies thought that working with the government might take away from their public image. Overcoming resistance took time, persuasion and presented a challenge: to work with us on a project and evaluate the success of both the project and the partnership. As we worked hard on those first partnerships, our track record of successes grew exponentially and many positive relationships were built with the private sector and nonprofit organizations.

Private sector partners have discovered a number of benefits from participating in partnerships with Health Canada. One such benefit is the public perception that the private sector partner is meeting the demands of its customers concerning its social responsibility. Partnership arrangements also heighten a company's visibility in the community and marketplace. However, it is misleading to believe that most companies get involved in a partnership simply for benevolent reasons. In most cases, the cause or issue, integrally linked to the partnership, is related to the company's business and bottom line.

Such an example exists with *Spilled Milk*, a half-hour parenting television show which airs on CBC. Health Canada, in collaboration with *Today's Parent* magazine and the Canadian Research Council, was involved in the development of this program. The show received written praise from community parenting groups and very positive results from focus groups. It also has won a number of prestigious awards. Two of the partners in the development of *Spilled Milk* were Kraft Singles

and Canadian Dairy Products. Both organizations aim their corporate messages at parents who buy cheese and dairy products for their children. Sponsorship of this program helped position these organizations as caring for children in the eyes of their target audience.

### ***Finding the right partner***

It is not enough to cast about blindly for any partner. It is essential for organizations to find the right partners to ensure that:

- neither its principles nor those of the project are compromised
- the project receives the resources it needs
- personality clashes will not compromise the project.

Partnerships with government are becoming a more attractive option for private companies and nongovernmental organizations. In fact, private sector companies often approach Health Canada directly. The challenge is finding the *appropriate* partner for the Department, for the NGO, for the project and for the social cause. Potential partnerships for individual projects are explored either by contacting a company directly or by working through agencies contracted to find them.

One of the most basic methods of developing partnerships is through established networks. At times, MPD acts like a broker to identify and encourage private sector involvement in health issues of mutual interest. In addition, we often encourage private businesses to engage in partnerships directly with NGOs and community-based organizations.

We select partners based on their ability to increase awareness of health issues, and to change attitudes and behaviour relative to a given project. We look for the ‘best fit’ in terms of reflecting the partnership goals and objectives. Informal or formal working groups, made up of representatives from relevant program areas in the Department, often are established to review solicited and unsolicited partnership proposals.

Other key ingredients in our experience are to choose private sector partners wisely and ensure that staff/contractors involved in developing and negotiating partnerships with the private sector are well trained and experienced in this area. It is also extremely important that government/private sector partnerships involve nongovernmental organizations (NGOs) where possible. In the health and social arenas, NGOs in Canada can provide a tremendous amount of expertise in specific content areas, as well as strong skills in community mobilization and advocacy.

One of the most important pieces of advice we would give to government organizations that want to explore partnerships is to do their homework before agreeing to work with another organization. Use developmental resources – check with legal and other areas of the Department that have some past involvement with the company. Collect details on a company’s corporate mission, its products, how it promotes them, other activities in which it is involved, its social policies (e.g.,

social responsibility; its human rights record), company ownership and whether a company has a particular cause that it embraces. There are always risks involved in setting up a partnership, but risks can be minimized by learning as much as possible about a potential partner. A useful resource is EthicScan Canada Ltd., an on-line service that publishes 'partner screening reports' based on data from its '1500 Corporate Database.'

Research data is available from a number of sources that provide detailed information on private companies and nongovernmental organizations in print format and on CD-ROM. It is also wise to check the company's annual report, the *Canadian Key Business Directory* (published by Dunn and Bradstreet of Canada), *The Financial Post*, the *National List of Advertisers*, *Marketing Magazine*, the *Globe and Mail's Report on Business*, various Internet marketing sites and the local Chamber of Commerce or Board of Trade.

Standard screening criteria include concern over conflict of interest, credibility or other potentially serious issue. Prospective private sector partners, their suppliers and their product(s) or service(s) must not present an obvious conflict of interest with the mandate or operations of any of the partners. In the case of Health Canada, for example, the company's products or services must not be under investigation for violation of laws or regulations or be deemed hazardous to individual health or to the environment.

Are there risks for government working with the private sector? Of course! However, if governments develop guidelines, principles, criteria, procedures and screening mechanisms for working with the private sector, then the risks should be minimal. In more than ten years, while developing more than 250 partnerships with close to 125 companies, the Partnerships and Marketing Division of Health Canada has had very few major problems.

### ***The partnership agreement***

When suitable partners are found, we set out in writing beforehand all the details of the partnership – purpose, scope and measurable objectives of the project/partnership; roles and responsibilities; implementation and milestones; benefits to each partner; and duration of agreement and evaluation. Such a document is essential to develop an effective partnership. It affords all players protection by stating expectations for all critical aspects of the partnership and is especially important in the event that problems or issues arise. A method of termination always should be included.

### ***Evaluating partnerships***

Partnerships must be closely monitored from development through execution. Key indicators of project success such as distribution, reach, funds raised and feedback (informal and formal) can

be used. But these indicators do not evaluate the partnership itself. As a minimum, we encourage developing an evaluation framework to assess the impact of the partnership against one or more of the three main reasons for entering the partnership – access, credibility and resources – in addition to the objectives and standard key indicators. The framework should be negotiated up front as part of the partnership agreement.

### ***What has Health Canada learned?***

Although there are no magic formulas for developing successful partnerships, we have found that when approached in a strategic, multifaceted way, partnerships can have a significant impact. For almost a decade, partnerships have provided us with an effective means for meeting the demands and achieving the objectives that are part of our mandate. Partnerships have enhanced limited resources and have provided access to new information technologies. In turn, these outcomes have facilitated greater public participation and the sharing of health knowledge and expertise, both nationally and globally.

Sharing information on partnerships also has provided groups in the public and private sectors with a foundation for developing and implementing their own effective partnerships. In the same vein, incorporating the unique experience and expertise of the private sector has helped us strengthen our partnerships.

From a social marketing perspective, Health Canada has expanded its reach and subsequently taken its messages far beyond what it could have imagined without such collaboration. Ultimately, building partnerships has demonstrated that government, nongovernmental organizations and the private sector can work together and forge relationships that create a healthier Canada.

Due to an increasing public interest in social issues, governments must realize the necessity and benefits of working with the private sector and NGOs to achieve social goals. The competitive environment forces businesses to find ways of assuring customer loyalty and return on investment. Companies must be seen to be ‘doing good.’ As a result, more and more companies are supporting movements for social change while advancing their business goals. These movements are creating a win-win situation for business, government, nongovernmental organizations and the Canadian public. Governments’ new math – partnerships – will add up for everyone.

### ***Formula for successful partnerships with the private sector***

- It is useful to have staff who are familiar with the private sector.
- Good communication with senior management garners their support.
- Picking the right partners is crucial.
- Work on building long-term relationships.

- If you're looking for money, you're looking for an investor. The essence of a partnership
- is the sharing of all kinds of resources, including expertise.

There has to be:

- collaboration on common causes
- cooperative investment of resources (i.e., time, finding, expertise and information)
- mutual benefit
- shared authority, responsibility and management for the delivery of programs and services
- joint risk-taking and shared liability.

#### **Endnote**

1. Toronto Blue Jays, McDonald's, Imperial Oil, Wrigley's, Canada Post Corporation, Kellogg Canada Inc., McCain, CP Hotels and Warner Brothers.

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*Perspectives on Partnership from a Community Social Service Agency*

Walter Paetkau

***Introduction***

This paper explores partnership from the perspective of Abbotsford Community Services (ACS) where I have worked since it was founded in the late 1960s. Abbotsford Community Services, located 80 kilometres east of Vancouver in the heart of the Fraser Valley, serves a community of about 108,000 residents. ACS is a nonprofit agency established to provide social services in partnership with government ministries and local community organizations.

The agency includes among its services: a major recycling operation; a large family and children's services division, services for seniors, multicultural and immigrant services, a community law office, employment services, supports for people with disabilities, a food bank, a thrift store, a café and volunteer service coordination. There are more than 250 full and part-time staff and at least 700 people who volunteer throughout the year. The agency owns its own facilities and leases several others. The annual budget is over \$9.5 million.

***Partnership defined***

We are living in a time when everyone, it seems, is talking about partnership, although the concept is as old as civilization itself. It seems that there is an increased motivation for organizations to collaborate. Government, the marketplace and communities are encouraging local organizations to establish partnerships to help promote social and economic well-being.

A 'partnership' is defined in different ways by those who engage in and foster collaborative alliances. In attending meetings, I hear the term applied to various types of relationships ranging from consultation, cooperation, coordination, collaboration, community-building and networking to alliances, shared decision-making and co-management. Some would include amalgamation but from our perspective, that is not a true partnership.

A dictionary definition, while rather broad and vague, states that to work collaboratively is to work jointly. In this context, partnering implies people working together in whatever way makes sense. We all seek joint activity from time to time. It is difficult not to establish partnerships because communities function best when they operate as a group of interdependent individuals and organizations.

Whatever our perspective, it is important to note that partnership takes place both within the agency itself as well as with an array of external contacts. Within the agency, for example, staff members working on one project often collaborate with employees from another department. In fact, our recycling operation provides workspace to house our services for people with mental handicaps. Our community law office provides advice and supervision for a community resource advo-

cate program. All projects are linked by our central reception desk and the collaboration between our wide range of programs and alliances between departments and among staff help provide a holistic service to our clients.

Partnering is also about attitude. An attitude of inclusiveness, respect and working collectively towards a common goal lays the foundation for success.

### *Illustrations of partnering*

One of the most prominent examples of collaboration within Abbotsford Community Services is a project to promote recycling in the community. The City of Abbotsford and the City of Mission provide the land and facility for the recycling program. Thanks to a well-organized 'Blue Bag Program,' a mixture of recyclables is collected from curbsides and brought to the plant. Abbotsford Community Services operates the plant while service clubs and foundations have provided capital and equipment. Once the recyclables are processed, a vendor transports the goods to market. Special arrangements have been made with a garbage disposal company to recycle cardboard as well. A joint arrangement has been negotiated with a bottle and collection depot to buy and process certain items. Various private operations pick up recyclables outside of the Blue Bag Program and deliver them to the plant for processing.

Within the recycling program, ACS also has established a partnership with the Ministry for Children and Families which provides funds for the supervision and training of people with special needs. Funding is raised from product sales, fees for service, and government and local support. A local credit union, for example, contributes to part of the education program within the school system.

The Food Bank is another example of community collaboration. Staff coordinate the various functions but volunteers are at the heart of the operation. The Food Bank relies entirely on the community for its support and receives more than \$200,000 per year in donations from individuals and organizations contributing funds from sponsored events. In addition, many individuals, churches and other organizations provide food or adopt a family. These gifts-in-kind represent an estimated value of more than \$500,000.

The Abbotsford News is a strategic partner at Thanksgiving and Christmas. The newspaper is the major sponsor of the fall food drive and Christmas Bureau and provides more than \$12,000 of free advertising and newspaper articles.

ACS's biggest donors are members of the community itself. Donors contribute almost \$200,000 a year to assist with the Food Bank. Many individuals, churches, organizations and groups provide gifts-in-kind or volunteer to 'adopt a family.' A variety of organizations donate funds from sponsored events.

Another ACS project, a cross-government ministry service called New Beginnings, provides supportive services to young mothers and fathers while they are completing high school. The School District contributes to the program by making available the facilities and teachers. The Ministry for Children and Families, through a partnership with Abbotsford Community Services, assists with the child care workers and with project coordination.

Project funding comes not only from the ministries but from Kiwanis clubs, foundations and other organizations. Just recently the Kiwanians not only donated resources to complete a new children's centre but also volunteered free labour for its completion. Women from a local church donated bedding for the cribs.

The various service agencies for seniors have always relied upon a network of partners to provide resources. The Legion Hall, just next door to us, contributes space for the Lunch With a Bunch Program. Nissan makes available a new van for Meals on Wheels while a local Lions Club has donated meal trays. ACS covers the operating expenses. Volunteers trained by Revenue Canada also provide an income tax service to the elderly. A number of accountants give their time and expertise when more complex tax problems arise.

Various cultural communities are always ready to help deliver the multicultural services that we offer. They assist with translation, interpretation, carpooling, planning, special events and joint activity; for example, we have worked with Canada Immigration, City Police and the People's Law School to host educational events. Our employment services include offers by employers who are eager to job-host a trainee or who make themselves available for consultation. Within our Family Services network, our staff is in contact daily with other agency and community workers and with parents and other supportive individuals to build bridges and stronger lives.

We have noticed that with respect to government, it is not only the Ministry for Children and Families which encourages partnerships as a way of delivering services more efficiently. The provincial and federal ministries responsible for employment-related services are beginning to explore collaborative models as well.

Another pattern is developing that is fairly new for us. We are now engaged in a federal contract that involves a consortium of four agencies in the Upper Fraser Valley region to provide a community action program for children. One agency carries the sponsoring role and holds the contract while the others deliver a service within their own community but within the regional contract. The service providers from the four communities meet together to review their direction and goals and to ensure they stay within the mandate of the regional contract.

This model is now being explored on a local basis as well. Funders' expectations are changing: Before letting a tender or submitting a request for financial support, ACS discusses the possibility of collaboration with other agencies.

These examples provide a general idea of the joint activity that takes place within a community social service agency. I should, however, reflect briefly on several other networks where collaboration is key. We are actively involved with the Inter-Agency Children and Youth Committee, the Healthy Communities Committee, the University College of the Fraser Valley – committees and practicum students, Abbotsford Downtown Business Association, a multicultural task committee in conjunction with the City, a City committee on affordable housing and the Abbotsford Chamber of Commerce.

Within our facilities, we host several groups that wish to be part of our network for greater community liaison: the Indo Canadian Business Men’s Association, NeighbourLink-Abbotsford, Learning Plus, Healthy Aging and Peer Support for Seniors.

### *Why establish partnerships?*

Organizations often struggle with the potential problems that may arise from partnerships because they fear they may lose their identity or that their principles will be compromised. However, there are many benefits to partnering with another organization: Duplication of services is avoided; competition between organizations is put into perspective; resources are used more effectively; clients receive more comprehensive service; and trust between partners leads not only to survival but to renewal.

### *Arguments against partnership*

There are times when it may seem that partnering is not worth the trouble. We have all had those experiences or heard of horror stories from others. What are some of the hazards? Partnerships take time, commitment and perseverance. There can be misunderstandings, conflict, failure and broken relationships. Partnerships are often unequal and can lead to loss of identity. The dollars and expertise to form solid partnerships may not be available.

### *Guiding principles for success*

It takes time to create successful partnerships. Developing a trusting relationship in which all partners feel that there is mutual benefit from the relationship is essential. Some of the guiding principles required to negotiate successful partnerships include the need to establish a supportive and empowering culture in which decisions can be made. Since partnerships are driven by people, the relationship between leaders must be strong and built on mutual respect and trust. All partners must be committed to the shared mission and objectives before embarking upon a collaborative initiative.

The power structure within a partnership also must be balanced by sharing authority and by each partner relinquishing some autonomy. In reestablishing these new boundaries, it is important to retain the measures that appear to work, to focus on specific measurable objectives and communicate effectively.

Different issues give rise to different types of partnerships. Business often requires a straightforward agreement listing designated responsibilities for each partner. Within the provincial, federal and nonprofit sectors, however, the distribution of tasks can become rather complex. Through the new Ministry for Children and Families, a fusion of five ministries, we are now restructuring many of our contracts. Internally, staff are rising to the occasion as they merge several service units into one. With outside partners, however, the discussions are long and often tense.

Our agency is in the process of integrating a number of youth residential services in our community. While many of the designated partners are willing to develop a new service model, many private sector participants are vigorously opposed to the idea because they anticipate that this new alignment will result in a loss of business for them.

In another case, a small alcohol and drug agency is expected to merge with our Substance Abuse Services. The agency fears losing its identity and community support due to its size. It is resisting the change until the Ministry mandates the alliance or goes to tender.

We also are negotiating the amalgamation of our services with those of another agency to provide assistance for persons with a mental handicap. Discussions are progressing well but the other agency is feeling a real emotional loss at having to let go of a service with which it has been involved for 50 years. It is a challenge for both agencies to protect the strengths of each.

### *New realities*

The current economic climate is also a driving factor when establishing a partnership. Because provincial and federal resources are so constrained, there is increased competition for government dollars as well as for donor dollars, fees and other resources. Initially, this rivalry tends to create hostilities, promote aggressive action and cause fragmentation. For some agencies, this competitiveness means a reduction in service levels, while for others it means a termination of certain services.

On the other hand, the new realities of cutbacks and downsizing are beginning to have a 'collaborative impact' within communities. There is increased conversation about building communities through joint endeavours with agencies, associations, the business sector and religious institutions. Community members also are talking more about the notion that community issues and services are their responsibility as well as that of government. In this regard, the attention being paid to social enterprises and asset-based community development is very refreshing.

***Partnership agreements***

Once two or more organizations have decided to explore a partnership or review an existing one, what steps should be taken? In most cases it is best simply to do what comes naturally – i.e., meet, talk, trust and continue an informal relationship.

On the other hand, it may be preferable to establish a formal agreement that will ensure accountability and establish parameters for managing the partnerships. British Columbia Healthy Communities was a community development agency that helped communities create partnerships during the past six years. This organization believed that: “The partnership arrangement should be carefully developed, reviewed, negotiated, documented and formalized in such a way as to: define objectives so that all parties know what they can expect from the collaborative arrangement; clarify the potential benefits for the different parties; and define responsibilities, financial obligations, reporting mechanisms, evaluation procedures and dispute resolution mechanisms to avoid turmoil if the relationship runs into difficulty.”

***Benefits of partnering***

Our staff and volunteers have spent hours together in discussion to reflect upon whether the process of developing partnerships was worth it all. Organizations involved in partnerships agreed that the process of developing these collaborations helped participants look at the situation holistically, strengthened networking, forced a sense of sharing and integration, led to the realization of a common vision and goals, and promoted understanding, trust, respect and stronger relationships between partners.

In the end, a commitment to a common goal enables different partners to come together, to ‘weather the storm’ and to enhance services.

*The Community Economic Development Advisory Committee  
for the City of York: A Municipal Government Partnership*

Joan Roberts

The focus of this paper is the Community Economic Development Advisory Committee (CEDAC) for the former City of York, a community development council that successfully provided a road map for a healthier deindustrialized urban economy. CEDAC helped build community capacity, social capital and partnerships, and in the process fostered economic interaction.

The former City of York, a municipality of 140,000 people in Metro Toronto, did not invent the wheel when it comes to community economic strategic planning. Many smaller and rural communities across Canada have undertaken similar initiatives under the federal Community Futures program. And we borrowed from them shamelessly. We believe that CEDAC's real achievement is that it was able to show that CED strategic planning processes can be successful in large urban communities as well. We believe that people in big cities care about their communities, but that they simply are not given the tools to initiate CED projects. Our tools and resources were few as well, but a coincidental convergence of staff and councillors with community development skills, combined with a long history of 'rough and tumble' community politics, formed enough social capital with which to begin.

*York's situation*

The City of York has been struggling with many of the same problems being experienced by other Ontario communities. Industrial job losses, government downsizing, a long-lasting recession, and a jobless recovery have made local employment opportunities scarce. But York also has some unique problems.

For example, the City has attracted many new immigrants because of affordable housing and its proximity to service jobs in nearby downtown Toronto. Between 1986 and 1991, York was one of the fastest growing municipalities in Metropolitan Toronto with a population growth rate of nearly four percent – almost all due to immigration to York. By 1991, more than half of York's residents were born outside of Canada and over 60 different language groups lived in York. No other municipality in Canada, proportionately, has as many immigrants. This large immigrant population, with its cultural and language diversity, presents unique opportunities and challenges for a small city like York.

The educational level of York residents further complicates the situation. According to a recent report from the Social Planning Council, educational levels are lower in York than anywhere else in the Greater Toronto Area (GTA): Fewer York residents have graduated from high school, have trade certificates or diplomas, or have a university degree. York students also have lower reading and writing skills than other students in the GTA.

In short, a highly skilled and educated labour force does not exist in York. This was evidenced in its unemployment rate of 12.8 percent – three percentage points higher than other GTA cities. York clearly had to do something to take charge of its economic future.

### *How CEDAC began*

From the outset, we realized that applying traditional economic development approaches such as appealing to factories and mailing ‘lure brochures’ would not address profound economic changes. The business community suggested bonuses or tax abatements in order to compete with American municipal initiatives. These types of programs were prohibited by law in Ontario and so were unavailable to us even if we considered them to be advantageous. The Community Economic Development Advisory Committee (CEDAC) process began, then, as a response to the devastation that was occurring in the local economy of York and Metro Toronto and in recognition of the need to try something new.

In early 1992, the Mayor initiated a review of Council’s economic development strategy. A consultant was hired to facilitate a Round Table with 30 key stakeholders in the local economy. The consultant’s report recommended that York develop a targeted labour strategy, strengthen and upgrade the city’s infrastructure, increase awareness of the city outside its boundaries, identify target sector opportunities, support the commercial retail and service sector, deliver city services more efficiently and create a more effective approval process.

Council was presented these recommendations but had very few resources to even attempt to implement them. In addition, Council lacked models and mechanisms for making the suggested interventions in the local economy. Moreover, our Economic Development department consisted of 1.5 staff. The department’s budget was inadequate by any standard and could not afford the expertise necessary to purchase much outside help. The nature of the economy also had changed with small businesses now creating most new jobs. All we had, really, was the political will needed to deal with the problems facing us as a community.

The situation, however, was not hopeless. Although York is one of Metro’s smallest municipalities and is under-resourced due to its deindustrialized tax base, many millions of dollars entered our community through government programs. These funds paid for staff of social agencies, training programs, colleges, business support programs and individual transfer payments in the form of Unemployment Insurance (now known as Employment Insurance) and welfare payments. We had a few community-minded corporations, individual community activists, long-established ratepayers associations, and a relatively new Social Planning Council that was becoming very skilled at reaching the multicultural communities in York.

Not knowing how to start implementing the consultant’s recommendations, a small steering group decided to assemble information on what other communities had done.



### ***CEDAC's stages: Research***

In March 1993, the first meeting of what was then called the Economic Development Advisory Committee was given a mandate to develop a five-year economic renewal plan for the city. Committee participants were sought from large and small businesses, business associations and Business Improvement Areas, the School Board, ratepayers groups, the Social Planning Council, social agencies and self-help groups. The first few meetings saw an agreement reached on the mission and terms of reference for the committee. The group then split into three task forces: Customer-Focused Government, Human Resources and the Business Sector. The task forces were to assemble data on our local economy.

The collection of information proved difficult because the data was compiled by numerous government bodies and focussed on different geographic areas. We obtained what we could and invited representatives from other government departments to make presentations to the task forces.

After three months, we had received reports from both private and public sector organizations, had undertaken focus groups with the development community and small business sectors, and had come a long way towards making CEDAC a new force in York's economy. But the name of the committee was worrisome. Attaching 'community' to the words 'economic development' was something a few of us felt might cost us some credibility with business leaders. Community Economic Development initiatives most often emerge from the social service sector and are seen by the business community as focussing not on business creation but on charitable projects. There was a concern that our process would not be considered supportive to local business. However, CEDAC members liked the name and it stuck.

### ***Strategic planning***

Working with a large fluid group like CEDAC presented some challenges. We decided to hire the Institute for Cultural Affairs (ICA) to facilitate the strategic planning phase. In its presentations, the Institute included an overview of CEDAC's present situation and a discussion of members' values. Every three weeks, we held a CEDAC meeting to participate in an Institute-designed group exercise. We always had a minimum of 25 members and drop-ins were frequent.

The wonderful benefits of the Institute's process was that it built consensus and understanding between disparate groups of people. The first session focussed on an analysis of the current situation in York. The second session concentrated on a strategic visioning process or "what the community wanted the City to look like in five to ten years." The vision was based on four broad strategic priorities consisting of building a thriving community-based 'City of Distinction,' developing a vibrant City Centre, creating economic support services and facilitating vital commercial sectors. The next session discussed the obstacles in reaching a shared vision, such as the lack of focus to give direction to diverse sectors of the economy which have inadequate processes for community

participation in decision-making, no business sector strategy and high costs of doing business. The fourth session developed broad strategic directions focussing on attraction of, support for and retention of local business; more effective use of our resources; and more effective future-oriented government/community partnerships.

The fifth and final session involved the community consultation phase. As one of CEDAC's assignments, several committee members trained in facilitation developed a community outreach program and facilitated meetings with seniors, ratepayers, youth, educators, multicultural groups, women, the arts community, businesses and City staff. This work finally culminated in a Community Action Planning Day in which all community members were asked to participate. Throughout the five sessions, the process remained open to new participants and the facilitators incorporated newly-identified issues to encourage buy-in and full participation by the community.

Immediately, partnerships began forming between organizations that had never met before. The networking that happened at a CEDAC meeting was one of the most important benefits of the process. We watched large training organizations connect with equity groups to make the delivery of government programs in our community more accessible. Small entrepreneurs did business with, and got advice from, highly-skilled employees of multinational organizations. It was an empowering process for everyone, including ourselves. By leveraging help from volunteers, institutions and businesses, we all learned how to make things happen. We now had key contacts in various community sectors upon whom we could call.

### *Emerging work of the committee*

After the strategic planning process was completed, CEDAC broke up into six task forces. One task force facilitated the community consultation phase. The Subway Lobby Task Force went into gear immediately to try to win approval from Metro Council for the Eglinton West Subway Line. Subway Lobby Task Force members representing the York City Centre Developer (Drena LTD), construction unions, equity groups and City planners put together and implemented a strategy to gain the support of Metro Councillors with respect to the need for an Eglinton West Subway Line. In no time, we had won approval. Our partnership process was the envy of those communities that were not successful in obtaining consent for their proposed transit lines. In the end, our first success, construction of the Eglinton West Subway Line, was deferred by the provincial government elected in June 1995.

Under the direction of CEDAC's Strategic Niche Task Group, several studies funded by the municipal and provincial governments were undertaken that identified clusters of companies engaged in similar sectoral business activity. After we identified a number of businesses in York focussed on food production and distribution, we partnered with the City of Toronto, Human Resources Development Canada, local training providers in order to establish food businesses and develop a Specialty Food Processing Entrepreneurial Training Program.

CEDAC also has acted as a catalyst to spark several community-driven events. The multicultural component of CEDAC's vision, for example, has supported the Eglinton Junior Carnival Parade for the last three summers and attracted more than 30,000 people in each of the past two years.

Through CEDAC's Marketing and Image Task Group, an ICA open house was organized for real estate brokers to promote the City's advantages. Most recently, with the assistance of consultants, the group designed a new logo as one of its strategies to improve the City's image. The local cable company, also a partner on CEDAC's Marketing and Image Task Group, produced a video at no charge to assist in marketing the City.

### ***Obstacles to CEDAC's growth***

The reality of community development is that scarce financial resources potentially restrict what can be accomplished. The CEDAC process in the City of York was no different. Major time and energy commitments were needed to coordinate meetings, administer task forces, prepare agendas and communicate with over 50 members. The nonprofit sector knows well that volunteer coordination is a paid job function and monetary resources must be set aside for this reason. A paid and dedicated staff is crucial for this process since they can be counted on to ensure the project's continuity.

Jurisdictional obstacles encountered with other levels of government also restrict what can be accomplished. The Municipal Act often thwarts what municipal councils can do with respect to countering the initiatives offered by American municipalities trying to attract business. As the visioning exercise encouraged creative and ambitious thinking, expectations were raised during this process and people often became frustrated by the restrictions imposed by legislation and jurisdictional responsibilities.

### ***CEDAC's benefits***

Through the first phase of CEDAC, members began to see the potential strength in membership and started to believe that they could have an impact on the local economy. While there were few tools and resources, CEDAC also was helped by a coincidental convergence of municipal staff and councillors in the municipality. The CEDAC process developed a close and trusting relationship among its members, staff and Councillors. We all learned a great deal.

CEDAC mobilized both its private and public stakeholders to participate actively in the pursuit of business investment. A volunteer base like CEDAC can be indicative of positive local attitudes towards development, an incentive for potential investors. Local activism as illustrated by CEDAC is a sign that businesses and individuals are prepared to take responsibility for their own futures.

A vision developed by a group like CEDAC has a better chance of being implemented because it is based on wide community support. If the decision-makers in the community also advocate this vision, it is more likely to become a reality. As a result, the community's resources become coordinated and focussed on the broader vision, and the outcome is more systems-focussed service delivery.

CEDAC also initiated a culture in which the community recognizes and rewards volunteerism. In the area of tourism, which the City has never regarded as one of its strong features, community involvement was the driving force in helping to bring the Junior Carnival Parade to Eglinton Avenue. This event now attracts more than 30,000 people to the City and is organized with the help of many volunteers.

### *Lessons learned by York's CEDAC process*

Reflecting on CEDAC, we can now see some kind of logical process, although there were many junctures when we struggled to plan the next steps. Overall, we followed some basic rules in our community development process, such as the principle of involving stakeholders in determining their own future by having volunteers understand their stake in the community. We focussed on investing limited public funds strategically to support the identified goals. We undertook a strategic planning process in which the development of a vision for our local economy was the most powerful exercise. This process created a common level of understanding of the local economy by education and open discussion of divergent points of view.

We allowed the community to take responsibility for its future by encouraging involvement where there was energy and commitment to make things happen. An opportunity for networking and interaction among CEDAC members was provided in order to create an environment for developing opportunities for joint activities and partnerships.

To further public participation, we included interest-based community consultations using trained volunteers as facilitators. Using a facilitator early in the process to develop open group discussion around the underlying values of CEDAC members was a key factor in its success. The facilitation process is patient and supportive to its members, thereby creating an environment to help people grow.

The brainstorming of ideas eventually created a vision. Having CEDAC members 'buy into' concepts that are easily agreed upon encouraged discussion of more contentious issues in an atmosphere of respect and accommodation. We appealed to the private sector by emphasizing its self-interest in a healthy local economy as well as to government and social agencies by highlighting their role in the local economy and mandate to serve our community.

We have learned lessons through our community economic development process which others might consider applying in their communities. Community economic development should comple-

ment traditional economic development practices, not replace them. Difficult and challenging times require us to go beyond traditional thinking and look for new tools. Bureaucrats must have the courage to relinquish control and involve a diverse range of stakeholders. In today's dynamic economy, a government department or an individual cannot possibly create employment or attract investment alone – everyone in the community should be seen as a local economic developer.

In order to undertake a similar process, it would be important to identify key politicians and visionary leaders who are supportive of a community economic development approach. They can motivate members and assist in attracting private sector membership and in leveraging resources.

Networking is a primary objective of bringing people together. Networking opportunities create an environment for partnerships to develop. These partnerships allow organizations to pool scarce resources which results in optimal value for the community.

Special facilitation skills are necessary to make the interaction among business, labour and government work. A smooth interaction may require the help of a professional facilitator. While time must be invested to start a community economic development process, once it is operational, things typically progress fairly quickly. A 'fluid' community economic development structure should be maintained throughout the process. A structure that is too bureaucratic stifles creativity.

A community development initiative such as CEDAC is leadership dependent and labour-intensive. At times, when the City's energy began to run out, the process slowed and interest declined. When others took initiative, the City still was heavily relied upon to give direction and provide administrative support. To work effectively, there must be a partnership sharing the workload.

Our municipality, although undertaking an unprecedented role as community facilitator, was seen as the natural partner to do so. When CEDAC was established in 1993, members of the committee had little experience with joint partnerships and cross-sectoral processes. Municipal government was the only institution in our community that had the resources, community ties and a legitimate role to provide community leadership. In fact, asking for community participation and ownership of a problem in 1993 was almost a novel act for municipal government. The partnerships and resources brought to the table enabled us to develop more responsive solutions to economic problems. As a result of bringing together municipal staff, business people and community practitioners, political will was developed to streamline local government procedures. A formidable political constituency also had been created that could be mobilized to support new measures that needed approval by City Council.

### ***Conclusion***

National and provincial governments are setting policies based on their vision of deficit reduction. Such a narrowly-defined vision does not bring people together; it separates individuals and communities from those that have and those that do not. Alternatively, CEDAC is a project that attempts to develop an integrated vision based on community inclusion. Through such a vehicle, the community may be able to accomplish more complex, ambitious goals together. The CEDAC process has proved that community development can be applied to a large city, province or country as a method to help people develop a community vision and realize the potential of all members. The process also has shown that government employees are no less able to run things than private sector managers.

The ultimate success of CEDAC was that a strategic planning process mobilized a relatively large and diverse urban community. We believe that people in big cities care about their communities; they simply lack the tools and commitment to make community economic development happen. There never has been a more appropriate time to develop innovative strategies for creating new business and promoting cultural and social development. Community stakeholders need to be given the tools and mandate to participate actively in the pursuit of business and social development. The York experience has shown what can be accomplished.

*A Community of Enterprise*

David Stewart-Patterson

***Background***

Canadians have faced an extraordinary range of challenges in the 1990s: stubborn recession, freer trade, deficit-cutting, sweeping technological change, and shifting demographic and social pressures. These years have changed the face of our workplaces, placed new stresses on families and left many Canadians fearful of the future.

But as we head into the decade's final phase, we are reaping the rewards for hard work and sacrifice. The private sector has taken on the challenge of freer trade and has built exports to record levels. While restructuring is an enduring part of the corporate landscape, companies overall have come through the period of downsizing and into a new era of strong job growth. Governments have wrestled down their deficits and are contemplating the strategies of surplus. And as individuals, Canadians have shrugged off much of the doom and gloom and are looking forward with a high degree of confidence.

The 1990s have left their mark. While we may look forward with optimism, many challenges lie ahead. In the broadest sense, Canadians have come to realize that we cannot solve all of our country's problems by spending tax dollars. Yet while our economy is strong, much of our social fabric has been weakened by the strains of the past decade. Rather than simply trying to patch up what has worn out, we need to weave a new web of relationships between individuals and organizations in all sectors of our communities.

Partnerships involving business have always played an important role in the Canadian model of community development. Businesses, both large and small, are part of every community and every facet of the nonprofit sector, from their national charitable campaigns to the sponsorship of local hockey teams. Despite the visibility of that support, a larger share of the funding for many nonprofit agencies has come from governments. As deficit-fighting governments cut back support, nonprofit organizations have found themselves looking urgently for resources from other sources.

***BCNI research results***

At the same time, research by the Business Council on National Issues (BCNI) suggests that the process of corporate community involvement is going through an evolution of its own. The BCNI is composed of the chief executives of 150 leading Canadian corporations, and those companies account for a majority of Canada's private sector investment, exports, training, and research and development. With annual revenue of about \$500 billion and some 1.5 million employees, BCNI member companies are also leaders in corporate community investment.

A BCNI survey of member chief executives in late 1996 found, as expected, that most business leaders do recognize the need for corporations to behave as good citizens. They also consistently expressed the belief that healthy and growing businesses must be based in strong and vibrant communities. The strength of one depends, in the long run, on the strength of the other, and the dependency is mutual.

Traditional corporate support has been tied strongly to its impact on corporate image, as well as customer and government relations. These motivations have not disappeared, but a positive public image is no longer the driving force behind corporate support for the community.

Today, the most frequently-cited reason for community involvement relates to employees and the company's human resource needs. Many BCNI member chief executives said their company's community activities were important in helping them to recruit and retain good employees, motivate them, improve loyalty and morale, build knowledge and skills, and improve productivity and performance.

This emphasis on employee interests is linked clearly to the broader economic shift towards knowledge work. The BCNI survey looked at job gains and losses at member companies in the first half of the 1990s. The results showed a clear pattern of rising skill levels, educational qualifications and compensation of employees across all industries, not just in high-tech companies. Corporate leaders talk with increasing frequency of shortages of key skills. Businesses need high-skill employees in order to remain competitive. When these employees become more difficult to attract and keep, being seen as the employer of choice can become a critical advantage.

This interpretation was supported by the responses to other questions in the survey dealing with shifts in corporate support during the 1990s. One important finding is that 40 percent of respondents said their companies had increased support for education between 1990 and 1995. This increase is almost double the proportion that boosted support for health care, which came second. Support for arts, culture, and sports and recreation, while still widespread, moved down the priority list.

The reasons for this shift were clear. Many CEOs indicated that the quality of education and the breadth of skills that today's students will bring into the workplace are vital business issues. In an information economy, human resources – what employees know and can do – are vastly more important to a company's competitive position globally than Canada's natural resources. Responses showed that shifts in corporate support also were driven by employee perceptions of changing needs in their communities, again linking corporate decision-making with human resource objectives.

The shift towards people-oriented support is visible even within the education sector. The emphasis of major corporate gifts has been moving away from bricks and mortar and names on buildings towards the endowment of scholarships, fellowships and chairs. In one recent example of the growing links between business, education and the nonprofit sector, a \$1 million endowment



from a major bank was dedicated to a professorship in nonprofit management and leadership. And in recognition of the importance of early learning on future success, there has been increasing corporate interest in helping to improve the quality of education at the preschool, primary, elementary and secondary levels.

### ***Implications for the nonprofit sector***

The key factors motivating corporations to do more in their communities are, in short, linked directly to business objectives. This self-interest complements rather than replaces altruism, and the combination has significant implications for the nonprofit sector.

Many nonprofit organizations receive the bulk of their funding from governments. This situation exists because governments in the past wished to address various social needs and were persuaded that nonprofit agencies could do so more effectively than direct intervention. However, the resulting relationship is not a true partnership. Rather, nonprofit organizations act in effect as delivery mechanisms for government initiatives. As long as governments continued to support those objectives, core funding for the agencies was relatively assured.

Traditional flows of government funding to the nonprofit sector were not spared in the overall trend of public sector spending cuts. The immediate response in most cases has been a stepped-up effort to replace government funding with private sector funding. Given the relative importance of government and corporate funding within the overall mix, a simple shift of funding responsibilities is unrealistic. A small percentage cut in public funding would have to be matched by a much larger proportional increase in corporate funding. A dollar-for-dollar transfer of responsibilities simply will not happen.

### ***Restructuring***

Does this mean the nonprofit sector is doomed to a cycle of decline just as governments hand off greater responsibilities for meeting social needs to other sectors? Not at all. What it does mean is that nonprofit organizations must go through the same kind of restructuring process that has been largely completed by the private sector and in which governments still are enmeshed. This process may mean that some organizations do not survive in their current form, just as businesses change, merge, adapt or fail in the face of shifting customer needs. The nonprofit sector as a whole, however, should emerge healthier, more vibrant – and with a distinctively different attitude and outlook.

In an increasingly competitive environment, it is not enough for a nonprofit agency and its employees and volunteers to do good work and to fill a need. A corporate funder, unlike governments, is primarily ‘results-driven’ rather than ‘needs-driven.’ Any investment of resources is based on careful evaluation and assurances of accountability. A decision to fund a nonprofit activity therefore brings high expectations.

Corporate funders want to know not just that the projects they fund will make a difference in peoples' lives, but that these projects will do so more effectively than available alternatives. The priority for nonprofit managers therefore must shift from a search for stable and assured funding for programs to an everyday commitment to find ways to serve clients more effectively and efficiently. Just as important is the ability to demonstrate both cost-efficiency and results. In short, the more that nonprofit agencies look to corporations for funding, the more they themselves will be required to think and behave entrepreneurially.

That said, it should be noted that many leaders in the nonprofit sector are already entrepreneurs. Canadian communities are rich with examples of highly creative and effective organizations; innovative partnerships are alive and well across the country. As a society, we have not yet done a good enough job of spreading awareness of those best practices, but we are moving in the right direction. Yet when one examines the make-up of corporate contributions, the vast majority is still measured in terms of direct cash donations to registered charities.

### *The problem of measurement*

Part of the problem is one of measurement. The Imagine program of the Canadian Centre for Philanthropy has firmly established the donations benchmark of one percent of pre-tax profit. But what is the value of volunteer work by employees that may have been facilitated by supportive human resource policies? How should we consider social advocacy tied to corporate marketing objectives and budgets? How should we value support provided to young people through co-op education and other forms of school-to-work transition programs?

Co-operative education programs are not charity. They are a fundamental part of the recruitment process, especially for companies in the high-tech sector. At the same time, such activities represent part of what we need to do as a society to build skills in our young people. Just as there are many elements of individual behaviour involved in being a good citizen, measuring corporate citizenship is more complex than counting up cash contributions.

### *Partnerships are key*

Throwing large amounts of cash at social problems did not work for governments, and cash alone from other sources is unlikely to do better. Complex challenges, especially in an era of scarce resources and unrelenting competitive pressures, require cooperation. Every individual and organization has strengths. The key to maximizing our progress as a society is to pool these strengths and to draw from each person, organization and sector those resources they are best equipped to bring to the table. Our collective goal is to have the greatest overall impact for any given commitment of resources.

As an example of how such an approach drives the evolution of partnerships, consider the internship program *Career Edge*. Traditionally, work experience for students and young graduates has been an activity heavily subsidized by governments. In 1996, when the Boston Consulting Group decided to tackle an aspect of high youth unemployment as a *pro bono* project, it put forward a proposal for a new nationwide internship program in which companies would pay the full cost of interns, but governments would pay for all necessary infrastructure, promotion and start-up costs.

Governments were quick to praise the concept and to pressure the private sector to support it – so much so that initial media reports of the initiative, then called ‘First Jobs,’ portrayed it as a government project in which businesses would be reluctant recruits. In fact, the major companies first approached agreed strongly with the goals of the proposed program, but wondered whether governments were really needed at all.

Businesses questioned, in particular, the need for a large government-funded infrastructure. Instead of offices staffed by civil servants, the core group of founding companies began work on a model that connected employers and graduates via the Internet, with physical support provided by existing career offices on college and university campuses. These companies seconded employees to work out a detailed business plan and guaranteed a \$1 million line of credit to provide the required up-front resources.

The result was a program that would help young graduates gain essential workplace experience, help companies try out new employees with minimal risk and help the country bring down the rate of youth unemployment. It also had become a program designed, funded and run entirely by the private sector.

This model does not exclude governments. Instead of funding infrastructure, though, the federal government evaluated the model once it was established, decided that it made sense and committed its resources directly to young people. It agreed, as the country’s largest single employer, to host and pay for 3,000 interns over a three-year period. Indirectly, the small administration fee paid by every host organization meant that it would cover a portion of the *Career Edge* overhead as well. But the result was more effective targeting of the available public funds.

The federal government then went one step further. While the *Career Edge* concept was aimed at all graduates, from high school through university, most of the companies signing up were looking for postsecondary graduates. Yet the greatest barriers to employment are faced by people with a high school education or less.

The government therefore chose to do what many private-sector employers could not justify – to target half of its positions to higher-risk youth. But to ensure that these young people had the necessary basis to succeed in their internships, the government enlisted another nonprofit organization, the YMCA, whose proven expertise in preparing for the workplace high-risk youth (including those who have not finished high school, young single parents, young Aboriginal people and homeless youth) made it an excellent partner.

Like any growing business, Career Edge also has demonstrated the ability to expand through innovation. For instance, some major companies were willing to fund large numbers of interns, but needed time to develop appropriate positions within their workplaces. In order to accelerate the pace of hiring, they offered to pay for placements not only within their own workplaces, but within small business customers or suppliers and within local nonprofit organizations.

The result for young people is that more opportunities are being created sooner. For large companies, providing those opportunities at other organizations still lets them assess participants as potential employees but also strengthens business and community relationships. And for the nonprofit sector, these Career Edge companies effectively have opened a new tap of potential contributions that goes beyond the traditional donations envelope.

Career Edge was designed from its foundation as a business. Corporate leaders considered the need and the opportunity, developed the business plan, invested their people and money, and launched the enterprise. Governments have since been able to take advantage of that business to help their available resources achieve greater impact. And other nonprofit organizations have been engaged as partners to share expertise and make the business more effective in serving the needs of young people, employers and communities.

### *A shift in attitude*

For existing nonprofit organizations with established funding relationships, adapting to a more entrepreneurial model may require a major shift in attitude. To begin, this means looking not at what budget is required to meet planned spending, but more broadly at what kinds of resources are needed to achieve the organization's goals. A budget is based on financial resources. But what does that money buy? How much of what an organization needs is really people and skills, physical facilities or goods and services?

As a second step, nonprofits must evaluate who can provide those resources most efficiently, and why it would be in their interest to do so. Competition for dedicated donations budgets will always be stiff. Are there avenues to explore that might persuade a company to provide other resources from within its business units and functions?

Finally, there must be a willingness to embrace the principles of evaluation and accountability. Over the years, government auditors have moved from looking simply at whether funding was spent according to the rules to the question of whether taxpayers received value for their money. Individuals and companies use a similar standard when they commit their resources to the community. We all have limited time and money, and we want to make sure that what we give to our communities has the greatest possible impact on those we want to help.

These attitudes and practices already exist to some extent; it is only the *emphasis* that is shifting. The years of corporate restructuring and government fiscal discipline have had a lasting impact

on public attitudes. Even as company payrolls expand more rapidly and governments discuss how to spend the so-called fiscal dividend, taxpayers and government officials, just like corporate managers, remain determined to avoid waste and achieve better results for the money being spent.

At the same time, the shift in the economy towards knowledge-based work and the trend towards smaller governments is raising public expectations of corporations. Corporate leaders face pressure to do more for their communities. Meanwhile, pressure from shareholders is also on the rise, forcing managers to ensure that a company's community activities can be linked clearly to corporate growth and profits.

### ***Conclusion***

There still appears to be a deeply ingrained feeling in our society that giving should hurt, that a corporation can really make a contribution to society only if it does so at the expense of shareholders. As a society, we must move away from this zero-sum concept if we want to maximize our results.

There is nothing wrong with encouraging community activities that are also good for business. This does not mean that we simply should encourage marketing to masquerade as social conscience. We should, however, acknowledge that just as successful companies contribute to strong communities by growing profitably and creating jobs, other corporate activities that benefit the community also may contribute to earnings and growth. What is good for the community may well add to shareholder value, and the key question is how directly that value can be measured.

Leaders in all sectors are rethinking traditional models and are looking to one another for good ideas. Corporate executives know that markets never stand still and are constantly on the lookout for new approaches that will enable their businesses to adapt, evolve and become ever more competitive. Our communities are already rich with creative thinkers and terrific partnerships. Our challenge is to keep learning from one another, testing new ideas, improving on the better partnerships, and working to build new and stronger relationships within a true community of enterprise.

*About the authors...*

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