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Comprehensive Corporate Relations: Forging Mutually Beneficial Partnerships

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In 2011, the Network of Academic Corporate Relations Officers (NACRO), with members representing more than 120 research institutions, issued a white paper on *Five Essential Elements of a Successful Twenty-First Century University Corporate Relations Program*. In the preface, NACRO observed that there has been a fundamental shift in the way that corporations interact with universities. Though developed in a university environment, NACRO's *Five Essential Elements* should be of strong interest to the arts and culture sector and can provide a valuable guide to improving the ways in which cultural institutions can offer better value to, and enhanced relationships with, corporate partners. In this edition of *Arts Insights,* we explore these mutually beneficial partnerships.

Corporate ROI in Philanthropy

Most corporations operate differently than other types of donors and are seeking tangible return on investment (ROI) from their nonprofit partners. They pursue partnerships that enhance their own business goals, such as increased sales, corporate branding, promotional opportunities, customer relationship development, and employee loyalty programs.

NACRO members recognized that their effectiveness was often diminished when their institutions approached corporations solely as philanthropic partners. NACRO wanted to identify the core elements that could be integrated into existing organizational structures to meet the new paradigm of corporate partners as investors in order to maximize the overall value of corporate relationships and the potential for new partnerships.

The Five Essential Elements

As arts and culture organizations consider how to apply the following *Five Essential Elements* to their own fundraising programs, references to corporate relations office, officer, or manager typical in university settings can be applied to the person(s) in the organization with corporate fundraising responsibilities who serve as the liaison between their own internal departments and corporate partners. For many smaller organizations, this liaison may not be a dedicated position but handled by the development director, coordinator, grant writer, or even the executive director. These factors, however, should not deter organizations from implementing best practices in developing corporate partnerships.

The concepts presented here are applicable to almost any size arts and culture organization. While some organizations may feel that their smaller size makes them less competitive in securing corporate funding, in fact, it might not be size that holds back underperforming corporate programs. It might be the lack of creative opportunities with mutual benefit and perceived value that are offered to potential corporate partners.

1. Institutional Support

The commitment of organizational leadership to corporate relations is critical to the successful application of the *Five Essential Elements*. The value companies seek is rarely within the exclusive domain of the corporate manager or institutional giving team to deliver. Arts leaders must make it clear that establishing and maintaining effective and sustainable relationships with corporate partners is a priority for their institutions.

If the leader sets clear expectations across all departments and operational areas, then the various staff members and departments are much more likely to share information and collaborate with the corporate relations team. In some organizations, metrics and incentives are changed to reflect the cooperative effort required from development and non-development staff for comprehensive corporate relations to be successful.

2. Mutual Benefits
The corporate relations manager or team plays an important role bridging the corporate and nonprofit worlds. They are uniquely situated to identify potential win-win opportunities by:

- Articulating the value proposition their organization offers.
- Helping to identify shared goals and matching a company's strategic needs with their organization's strengths.
- Advising on the design of projects and initiatives that create mutual benefit.
- Facilitating conversations between internal staff, Board members, and corporate partners.

3. One-Stop Shopping
Companies want a single point of entry and to be guided to organizational resources relevant to their needs. To facilitate "one-stop shopping," cultural corporate relations programs should provide a relationship nexus, which may be a team of fundraising staff or a single person, who can accomplish the following:

- Create a central point of entry for all activity
- Simplify access
- Accelerate responsiveness
- By-pass departmental silos
- Expand single projects
- Build strategic alliances
- Facilitate interactions
- Provide linkage and communication with all areas of an organization

To corporate representatives, arts and culture organizations can seem complicated, and it may be difficult for them to comprehend the business model, the decision-making process, and the hierarchy and environment in which arts and culture organizations operate. It can also be challenging for companies to understand and imagine the possibilities for partnership opportunities working with an arts or culture "product" that may be unfamiliar compared to the more traditional sponsorship vehicles which they normally pursue (e.g. sports venues, large-scale festivals, product endorsement). Therefore, it is essential that arts organizations establish a clearinghouse for all activities related to corporate relations. This can be viewed as a concierge service or a liaison for corporate partners. As mentioned earlier, this may be as simple as a single person charged with the responsibility of coordinating all corporate relations activity as it moves throughout their organization, though they need not be the person who actually implements each different element of a corporate stewardship program.

4. Earned and Contributed Revenue
In the NACRO model, this category is titled, "Integrated Approach to Research Development," which is one of the major sources of revenue in university settings and functions similarly to "earned" income in arts organizations. While another part of an organization may be responsible for earned revenue, the corporate relations office can play an important role identifying companies with needs that other parts of the organization can fulfill. Examples include group ticket sales, corporate hospitality, branding opportunities, and cause marketing campaigns. A creative corporate relations manager can help guide their arts or culture organization beyond traditional donor benefits and present the full breadth of assets an organization can offer to corporate partners.

5. Organizational Coordination
In order to achieve strategic alliances, the corporate relations program of the arts or culture organization must provide coordination across the institution and facilitate:

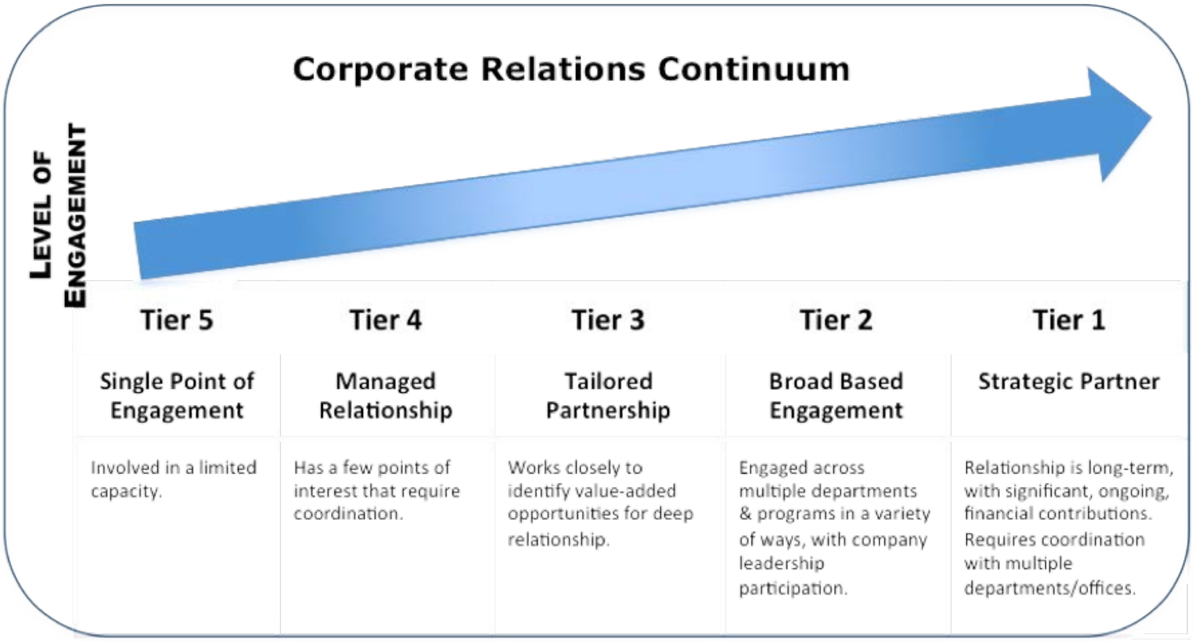
- Internal collaborations (e.g. ensuring that the publications team includes corporate sponsorship credits in appropriate materials)
- Frequent communication
- Information sharing with enough advance notice to be able to convert new information into new opportunities for corporate partners

Corporate Relationship Continuum/Tiering

As corporations have moved from donors to investors, their priorities have evolved. Corporate decision making will be influenced by those organizations which are able to provide a continuum of holistic value and deepening partnerships for increased return on investment.

The 2012 NACRO white paper *Metrics for a Successful Twenty-first Century Academic Corporate Relations Program* features best practices including a Corporate Relations Continuum. The process of building more comprehensive corporate relations can be seen as a continuum that tracks these relationships across escalating tiers of engagement. The continuum can also serve as an account management tool and an assessment tool for corporate relations officers.

Below is a visual representation of an ideal progression across multiple tiers of engagement, from the more traditional and basic engagement through an evolved and sophisticated strategic partnership.



The following list provides descriptions of the five tiers of NACRO's *Corporate Relations Continuum* best practice and suggests some characteristics that might identify where a corporate relationship falls within the structured tiers.

Tier 5: Single Point of Engagement
- Involved in limited capacity: This relationship might involve only infrequent contact, small-scale giving, and possibly in-kind gifts.

Tier 4: Managed Relationship
- Has few points of interest that require coordination: Companies in this tier may not yet have customized opportunities (e.g. themed hospitality event at exhibition opening), but nonetheless have multiple touch points that involve coordinated activities. The concept of relationship management has been introduced.

Tier 3: Tailored Partnership
- Works closely to identify value-added opportunities for deeper relationship: In this tier, arts and culture organizations might be reaching out to companies with customized opportunities that offer value tailored to specific corporate interests. These partnerships now require internal monitoring and relationship management and the company expects a seamless approach ("one-stop shopping") to activating the partnership.

Tier 2: Broad Based Engagement
- Engage across multiple departments/areas in a variety of ways, with company leadership participation: The arts and culture organization is now creating and managing multiple programs and events for the sponsor; facilitating between multiple internal departments and personalities; working at an advanced level of relationship management; and now has corporate leadership involved in event planning, boards or committees to develop partnerships together.

Tier 1: Strategic Partner
- Relationship is long-term, with significant, ongoing, financial contribution and requires coordination with multiple offices: The partnership now requires central coordination; has large financial commitments that are likely branded programs requiring advanced sponsor servicing and recognition and early involvement of company representatives.

Brainstorming Exercise

The following exercise can be effective in establishing where current corporate donors fall in the corporate continuum and how to move them along the continuum. It can also help to begin the process of building organization-wide consensus and support for a team approach with the ultimate goal of attracting corporate partners by creating innovative new opportunities.

1. Begin by plotting several current corporate donors on a Corporate Relations Continuum chart similar to the one above.
2. Invite colleagues from development and other key departments, which might include the executive office, artistic/curatorial, marketing/PR, operations, production, and patron services, to join in a brainstorming discussion.
3. Share with this group the basic concepts of the *Five Elements* and the goal of using the continuum to think about new opportunities and techniques to move current partners to higher tiers on the continuum.
4. Discuss each of the sponsors on the continuum and seek inspirational and creative ideas from each department on how they can add value or provide new opportunities that development staff can offer to increase the level of giving from corporate partners. Here are a few examples of what a spirited group discussion might yield:
    - You meet your sponsor's desire to provide exciting volunteer opportunities for its employee volunteer program by connecting them with your education department's need for extra volunteers to staff your annual community arts open house celebration.
    - Your sponsor is thrilled at the unique opportunity to host their next corporate board meeting on the stage inside in the set of your current musical on a dark night, thanks to the suggestion by your theater's production department.
    - Your bank sponsor jumps at the chance to offer vouchers to your museum's new Saturday family series, meeting their desire to offer more family-oriented loyalty benefits to customers, while at the same time helping education launch this new series with high visibility through the bank.

Conclusion

Many arts and culture organizations have certainly seen or experienced the changing priorities of corporate giving programs in recent years, including reductions of corporate philanthropic budgets, often at the expense of the arts and culture giving category. Successfully securing new or increased corporate giving in the current corporate climate will favor those organizations willing to rethink the way they interact with corporate partners and those who are able take a more creative approach to reimagining the wide spectrum of assets and potential partnership opportunities that are possible by harnessing the full range of resources and staff talent within their organizations.

Editor's Note:

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