

# Partnerships Between Community and Business Groups

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## Summary of Seminar

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Mornington Peninsula Community Connections

Thank you to the organisers of this session for inviting me to share with you my thoughts on the topic of partnerships between community groups and business groups.

This is my 10<sup>th</sup> trip to New Zealand over the last seven years. My partner Corinne is from Christchurch, so with Barrie Thomas now living here my friendships and connections in New Zealand are on the increase.

### **Mornington Peninsula Community Connections**

Before I share with you my thoughts on partnerships, I'd like to tell you something about the project with which Barrie and I are involved. It's called Mornington Peninsula Community Connections.

The Mornington Peninsula is in Victoria and it commences around 40 kilometres south of Melbourne, on the right-hand side of Port Phillip Bay. If you don't know Melbourne, Port Phillip Bay is close to the central bottom of Victoria and is shaped like a horse's head. Melbourne is situated at the very top of the Bay.

The total population of the Mornington Peninsula is around 240,000, and the region is divided in to two local government areas – Frankston City and Mornington Peninsula Shire. The whole range of socio-economic groupings lives on the Peninsula. As you might expect, the very rich live mostly in the southern part surrounded by the sea, and the very poor live on the northern part (surrounded by one another).

If you've had the opportunity to access our website, you'll know something about us already. Our project is an independent and free advisory service for grass-roots community groups. It was established by Barrie Thomas and I six years ago with support from The Body Shop in Australia.

Our approach to our work in the community is based on a strong appreciation of:

- local knowledge
- local wisdom
- local culture
- local resources
- local skills
- local processes and
- local involvement.

The project came about from when Barrie and I were volunteers on the committee of a local grass-roots community group. During our time on the committee of the group we developed a stronger appreciation of the important role that small community groups play in developing and holding communities together, and we felt that we might be able to contribute in some small way to the development of the grass-roots sector.

Despite the growing awareness about the vital role of small community groups, most groups still struggle to gain adequate recognition and support for their work.

Generally we support the smallest of the small of groups to:

- Plan their projects
- Develop their policies
- Resolve their problems
- Recruit their staff (most of whom are volunteers)
- Evaluate their services
- Do public relations and fundraising
- Form partnerships with business, government and other community organisations and
- Help them to be politically active, if that's what they want to do.

Generally, we don't provide funding directly to groups, but over the last six years we've helped little community groups to raise hundreds of thousands of dollars for their projects.

Because we want to help groups to increase

- their capability
- their effectiveness
- their confidence
- their influence and
- their self-reliance

our emphasis is on encouraging them to do things for themselves. So, education is the cornerstone of our work.

Because we're independent and don't receive government support, we're not handicapped by the threat of losing our funding when we upset government funding bodies. So we can raise our concerns freely about government policy and processes, and we do that in a variety of ways.

An important part of our work is to encourage groups to co-operate with one another and to work collaboratively.

One of our recent projects has been to encourage small business groups to become involved in their communities through employee volunteering. Another project has been to write a book called *Partnerships with Business – A Guide for Small Community Groups*.

I should emphasise at this point, because it's an important part of our approach, that we don't promote, plot or engineer partnerships between community groups and business groups just because it's current government policy, or because community groups want more money, or because companies want to market their image as good corporate citizens.

We believe that partnerships in the community should be naturally formed rather than be forced as a condition of funding, or artificially created between incompatible partners. We believe that partnerships should be based on a strong common interest in some community issue or problem.

In our experience, common interests and common values make for a sustainable partnership between community groups. On the other hand, partnerships which are formed between community groups solely because it's a condition of receiving government funding often don't work that well. This is because some groups are incompatible in terms of their core beliefs, their overall goals, the way that they work, their professional standards, and so on.

I'll say some more about unlikely partners later.

Our literature is listed on our website, and if any of them strikes your fancy, some of them are downloadable, or I can email you copies of others. The website address is [www.communityconnections.com.au](http://www.communityconnections.com.au)

I should mention here that a number of people have asked how they can get hold of our book *Partnerships with Business*. You can purchase them from some of The Body Shop's retail outlets in Auckland, Wellington and Christchurch. You can give them a ring on 04 8024290 to find out which outlets have the books. If you don't live near any of those places, I'm sure The Body Shop will post you a copy.

## Partnerships

Now to community groups and business groups forming partnerships. Despite all the current hype about community/business partnerships there's some common misconceptions about how easy it is for community groups, especially small community groups, to form successful partnerships with business groups.

For those of you who've been doing work in the area, you'll know this already.

Today I want to comment on the current fascination with community-business partnerships, including highlighting some of the flaws in the idea, as I see them, and to present some practical suggestions about forming partnerships with business groups.

What I've got to say is based on my experience as a community worker helping to form partnerships between small community groups and business groups. It's based also on some of what I've learnt over the last nine years from my association with Barrie Thomas and The Body Shop, which has been a pioneer in these kinds of partnerships in Australia.

I certainly don't claim to be an expert on the topic of community-business partnerships, but I've had some practical experience in the area.

I should say, too, at this stage that most of the propaganda coming from governments in Australia about partnerships between business groups and community groups are 'good news' messages highlighting the wide range of benefits to be gained from forming such partnerships.

While it's good to be optimistic about the possibilities, I think it's more helpful if a more honest appraisal of the possibilities is presented. This is the approach that we take.

So what is a partnership between a community group and a business group?

Quite simply, it involves the groups combining their resources, including their knowledge, their skills, their networks, their equipment and their money for a project to benefit the community.

Whenever I ask community groups what it is that they want from business, the most common answer is 'money'.

This is a disappointing response, because an arrangement that's based on a one-way exchange of money is a partnership of sorts, but it's a very limited one and in most instances it won't be sustainable.

These kinds of one-dimensional partnerships under-utilise the wide range of resources that business groups and community groups have to offer one another.

I'm not saying that sponsorships, which involve a business group giving a community group a one-off cash donation for a project or a service isn't a valuable thing to do.

Sometimes giving money is the best way that a business group can support a community project. However, what I am saying is that there's a lot of potential for a longer-term and more rewarding association if a community group and a business group develop a relationship that's based on more than just money.

There are lots of projects and services around which community groups and business groups can form partnerships. In my view, one of the best things around which community groups and business groups can form a partnership is employee volunteering. It can be a very good first step for a community group to develop a more substantial and longer-term relationship with a company.

Through employee volunteering community and business groups can:

- Combine their special knowledge, skills and resources to develop and support their community.
- Build up trust and respect for one another
- Learn about and develop an appreciation for one another's fields of work
- Identify additional ways that they can support the community and one another's work
- And ultimately, they can achieve a mutually rewarding relationship.

### **The Motives of Business**

When forming a partnership, it helps if both parties have an understanding of one another's motives. When groups have different motives for involvement in a community project, usually at some point in the relationship there'll be serious tensions between them.

What I want to do now is to give you a brief summary of the main reasons why more companies are becoming interested in being good corporate citizens. Some of these reasons are based on what's appeared in the literature, but they're also based on what Barrie and I have observed and experienced first hand in our work in this area.

The first one's fairly straightforward. As public awareness increases about our worsening community problems, as you might expect the community-minded people in business want to become involved. They're no different from any other civic-minded people who live in a community.

It needs to be said, though, that historically businesses have been reluctant to support communities. For a long time business leaders have maintained that companies have no social obligations at all, other than financial ones to their shareholders.

There's a quotation which says '*The business of business is business*' which still appears to be the dominant view held by business people.

It's true, though, that in more recent times this position has been changing, albeit slowly. Some companies are starting to recognise the relationship between community well being and company well being. For these companies, looking after their community is seen as synonymous with looking after their business.

For many business groups though, especially bigger companies, involvement in the community is being seen mainly as a creative marketing opportunity. Hence the terms:

- cause-related marketing
- social marketing
  
- brand building and
- reputation building
  
- stealth marketing

Just as companies can lose customer support through being seen to behave badly, they can gain customers by being seen to behave well.

Some companies become involved in supporting their communities when their reputation has been tarnished after:

- they've been caught out being dishonest
- when they've ignored industrial and safety regulations and staff have been treated badly or injured
- when they've harmed the environment, or
- when their business methods have developed for them a reputation as being ruthless and greedy.

Community involvement is also a popular marketing strategy for some companies whose products and services are viewed by the community as:

- exploitative
- harmful to people's health, or

- harmful to people's social and psychological well being.

Companies involved in mining, cigarette manufacture and gambling come to mind as obvious examples.

For most of these companies, their products, their services and their business methods are far too profitable for them to change. They know that the community will never see them as all good. However, through clever marketing of their community involvement they can create an impression that they aren't all bad.

It is important that a partnership between a community group and a company benefits both parties.

If a company prospers as a result of their involvement in the community, then this is fitting recognition for their efforts. It might provide encouragement for them to remain involved, or even to increase their commitment.

However, if building their reputation is the primary motivator for a company, the main function of the community group or the project is simply to be a marketing tool for the company.

Of course, community groups and communities can still benefit from this type of arrangement, but companies which mainly are interested in building their reputation will only choose certain types of community groups and projects with which to become involved.

The best marketing tools for companies are popular causes and high-profile community organisations and projects.

Unfortunately, while many small community groups such as the ones with which I'm involved, do valuable work they're often barely known outside of their own small neighborhoods, so they've got little potential to be useful to companies for marketing.

### **Unlikely Partners**

I'd like to put some arguments to you now which contend that community groups and business groups are the most unlikely of partners.

Certainly the idea about forming partnerships to build strong communities or to solve community problems is good. Working closely together, sharing knowledge, experience, skills and other resources can be an effective way to achieve many things.

I'll start with business. A couple of years ago there was a study done by one of the university business management schools in Australia which showed that in Australia most business partnerships fail.

I don't know if similar research has been done in New Zealand, but if it has I'd think that the results might be similar.

If it's true that business people don't have the ability to maintain partnerships within their own field, how are they going to achieve effective partnerships in a field with which they aren't familiar?

Of course, some of the circumstances are different, but the fundamentals of maintaining partnerships are much the same. It's about people having the ability to get on together and being able to sustain positive relationships.

We need to keep in mind as well, that at the foundation of business development is an individualistic and competitive philosophy. On the other hand, at the foundation of community development is a collective and a co-operative philosophy.

Business is largely about using a community's assets – its people and its natural resources - to make a profit. Of course, the community can gain as well, but there's no shortage of examples where companies have abandoned a community once the community has served its purpose and its resources have been used up or if the company can make better profits somewhere else.

Often there are catastrophic social, economic and environmental consequences for a community when this happens.

It's interesting that when you look more closely, you discover that among some of the most upstanding of current good corporate citizens are companies which in the very recent past have been heavily condemned for committing social and environmental atrocities.

It's unlikely that these companies have suddenly 'seen the light' and been converted from 'sinners' to 'saints' overnight. Entrenched company philosophy and culture can be difficult to change.

Closer scrutiny of these so-called 'converts' usually reveals major discrepancies between the virtuous principles that accompany their new community programs, and the questionable principles underpinning some of their long-standing business practices.

It's clear that a growing number of companies are genuinely attempting to be more socially responsible. It would be unfair not to acknowledge this. For some companies, however, clearly there's no genuine desire to change, and their community involvement is simply a masquerade.

The community sector has a much better track record in forming and maintaining partnerships. Although in recent times many community groups (and mainly some of the bigger ones) have embraced some of the less desirable principles and practices from

business management, some of which incorporate more individualistic and more competitive approaches.

Competitiveness between community groups can and has caused serious damage to community relationships and to the spirit of co-operation within communities.

When pursuing partnerships with business groups it's important to keep in mind that the major drive for partnerships isn't coming from the business sector. It's coming from the community and from government.

I've attended a number of community forums over the last couple of years which have had partnerships with the business sector as their theme. Around 95 per cent of people attending these forums have been from the community sector, and hardly any have been from the business and government sectors.

The speakers at these forums have mostly been the converted preaching to the converted.

All this suggests that the area of partnerships is much more complex than many of us have been anticipating.

### **Small Business: The Place to Start**

Now I would like to say something about some of the things to keep in mind when actually pursuing partnerships. I can't say too much in the short time that I have today, but we've said a lot more in our book.

The business groups closest to their communities are small companies. Generally, these will be the ones most likely to support smaller community groups.

Small companies are more likely to provide support to smaller community groups because they'll know about the valuable work the groups are doing locally. In many instances, they'll be less interested in groups' marketing potential.

Often the people involved in small businesses are already committed to their communities through:

- their involvement with their children's schools
- membership of local service clubs
- their sponsorship of local events
- and through community volunteering

So, for many people in small business, supporting their communities isn't something new. They might be business people, but they're also active and committed citizens.

People involved in big business also might be involved personally in the communities where they live, but in big business there are more complex company decision-making processes, so it's not always as straightforward for them to get company resources for their preferred community projects.

Also, big companies often take national or even global approaches to community involvement, and support issues and causes far more widely than small, individual neighborhood efforts.

Importantly, people operating small, community-based companies are more likely to have a better understanding of the problems facing their communities because they will have seen them at first hand, and often on a daily basis. The likelihood is greater, therefore, that they'll be personally affected in some way, so they'll be more motivated to do something about the problems.

It's true that small business groups won't have the same amount of resources to share with community groups and projects as will bigger companies, but in our experience, bigger companies are going to be far less inclined to support smaller community groups and projects.

### **Principles of Successful Partnerships**

The following points are crucial to effective and sustainable partnerships.

- Good partnerships are those based on a foundation of honesty and trust. Trust is something that is built up over time.
- In a partnership there should be a commitment to mutual benefit.
- Although groups in a partnership may not be equal in size, it is important that they treat one another as equals.
- Partners should have open communication and be able to speak freely and raise any concerns without anxiety about the consequences.
- Good partnerships maintain realistic expectations about what can be achieved through the partnership.
- Partners will acknowledge that problems and issues will arise from time to time in the relationship and will have a commitment to resolve them.