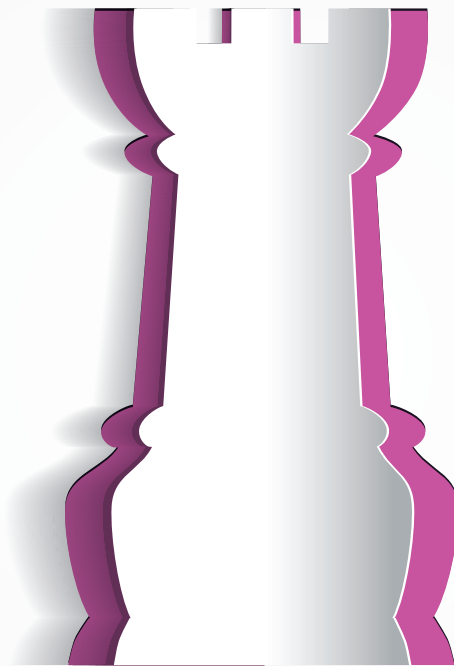


The Future of Corporate Giving



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The Future of Corporate Giving

Charities Trust

Charities Trust is one of the country's leading donation management agencies, processing, administering and distributing over £50 million in funds each year.

These funds are raised from more than 1,000 corporate clients and their employees and individual charity supporters for the benefit of over 50,000 good causes in the UK and worldwide.

Set up by Sir John Moores as part of the Littlewoods Group 25 years ago, the HM Revenue & Customs approved agency is now incorporated as an independent not-for-profit organisation and a registered charity.

Today Charities Trust is an innovator in the sector, championing enlightened thinking across a range of giving products from national appeals and charitable lotteries to Payroll Giving and fundraising.

It is acknowledged as market leader for value. Charities Trust is committed to growing the giving market and dedicated to connecting those who give, with their beneficiaries, in the simplest and most tax efficient way.



Corporate Citizenship

Corporate Citizenship worked with Charities Trust to deliver its research brief. It is one of the longest standing specialist sustainability consultancies, working with corporate clients around the world to achieve their commitments to being responsible businesses built on sustainable practices.

Founded in 1997, teams in London and New York work with a huge variety of companies, large and small, to bring practical and pragmatic solutions to often complex challenges. It helps companies become part of the solution to the big issues confronting the world today.



Medicash

Established in Liverpool more than 140 years ago, Medicash is one of the largest and most established healthcare cash plan providers in the UK, offering a wide range of affordable health plans for companies, individuals and intermediaries.

As a not for profit organisation, Medicash invests ethically, using all surplus funds solely for the benefit of its 137,000-plus members.

Medicash has a strong tradition of charitable giving and in the past 10 years has donated more than £1m to over 450 registered charities and other organisations. We are therefore delighted to support this report by the Charities Trust.



Executive Summary

The role companies play in the community is changing. Many businesses today give cash donations and their employees volunteer their time in support of charities. But we are seeing some major changes in how companies approach community involvement, and in particular the value that is created: for charities, the causes they support and the businesses that invest in their communities.

The future of corporate giving project set out to explore how corporate community involvement could change over the next ten years.

A literature review, an online survey and interviews with global thought leaders identified four, intertwined trends for the next decade:

1. Innovation Unleashed: New technologies, innovative channels and interactive media will cause an explosion in ground-breaking new practices.

Digital technologies will allow for real-time tracking of impacts and the flexibility to fit around busy lives. Online volunteering by employees and supporting 'digital causes' will become far more prominent.

2. Commercialisation: Companies will seek long-term profits from their corporate giving and align their activity with something "meaningful" for the business.

Community programmes will no longer be a separate, "add on" to the business, but set up to deliver commercial value, outside of revenue, from meeting social needs.

Although traditional philanthropy will survive, some companies will fund corporate giving as for-profit, commercial ventures.

3. Collaborative Coalitions: Large-scale, multi-stakeholder coalitions will harness collective skills and drive transformational change.

Corporate giving will build loyal and effective working relationships with customers, suppliers, not-for-profits and government agencies.

Collaboration, including with competitors, will amplify impact and a philosophy of social action will emerge. Big businesses are going to be bigger stakeholders in 'fixing' the world. The setting aside of competitive differences will benefit both commercial organisations (in terms of enhanced reputation), and the causes they serve.

4. Cause-related Movements: Billions of consumers will be mobilised to give up their time, second hand items and fresh ideas to community causes.

"Social campaigning" will have an overarching goal to build a movement. Companies will facilitate large scale donations through "movement fundraising".

Businesses will create a truly engaging consumer experience around causes, built on a dialogue about the impact that corporate giving creates.

Companies will facilitate large scale donations through social campaigning and building movements dedicated to fundraising.

Foreword

Our Core Focus

Charities Trust's core focus for the next decade is growing the giving market. Part of celebrating 25 years successfully managing and maximising donations for business, benefactors and beneficiaries has been to make that pledge, and immediately put the promise into practice. This piece of research is the first step.

We commissioned the report with some specific goals in mind. We wanted to map the drivers of change; the technology, the giving environment and the people invested in it – and investigate how the giving landscape will look ten years from now.

The work is important because the thinking it has uncovered, from leaders and innovators active in the area, gives us all valuable insight into what we need to do to develop, and some of the challenges we'll face.

We were hoping for fresh thinking, the report went one better; the results didn't disappoint, revealing insight into what's on the horizon now, and years from now.

What seems certain is that the relationship between corporate business and causes is going to get more dynamic – and more demanding, with both sides pushing for demonstrable delivery.

Technology is a powerful key, but it's not a panacea and care has to be taken that the individual isn't lost along the way. However it will deliver increasing mass cause-related mobilisation, personally.

Performance is predicted to profit both causes and the corporates that support them – commercialisation handled properly will benefit both and drive growth.

The report also finds that there will be greater collaborative working within the commercial world.

Properly harnessed this will see competitor companies separating their business goals from wider ones for shared benefit. This kind of collaborative working is likely to deliver higher success rates.

Charities Trust's work is dedicated to connecting through giving; I am delighted that the future looks bright for just that.



A handwritten signature in black ink, appearing to read 'Linda Minnis'.

Linda Minnis
Chief Executive, Charities Trust

Aims of the Project

The expectations of companies, and the role that they play in communities, is transforming. Today, many businesses give donations in the form of cash and their employees give up their time in support of charitable causes.

Recent years have seen some major changes in how companies approach charitable giving and their involvement in the community – in terms of the amount they give, what form this takes, the impacts they seek and the benefits they derive.

The value that is created for different stakeholders - from charitable partners to the companies themselves - is evolving at a rapid pace.

The future of corporate giving project set out to explore how this dynamic aspect of corporate responsibility could evolve over the next ten years.

We wanted to understand how experts and day-to-day practitioners could foresee things changing in the years ahead.

A lot can change in a decade. Whilst we cannot predict the future, we suggest some likely directions for change in the form of four key trends that our research found are most likely to shape the future.

Throughout this report, we use the expressions “corporate giving”, “community investment” and “corporate community involvement”.

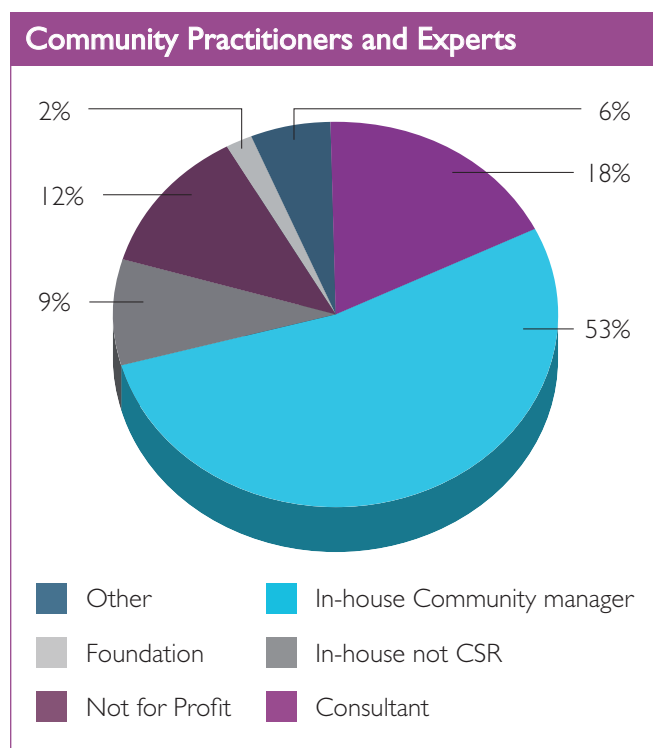
They refer to all contributions that a company makes and enables to community causes – such as cash donations, staff volunteering and in-kind contributions.

Methodology

In order to understand how corporate giving could change over the next decade, our research comprised three components:

1. A literature review of research on community investment to-date

The first step was to conduct review of previous studies and major publications to identify the state of current knowledge on community investment, as well as some of the changes in corporate giving that we have seen in the last 5-10 years (see 'The Changing Context').



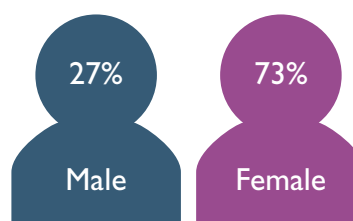
2. Interviews with key opinion leaders in the community investment space

We undertook six interviews with global thought leaders and senior managers to shed light on what the future may hold. We are grateful to the following for giving their time and insights to this project:

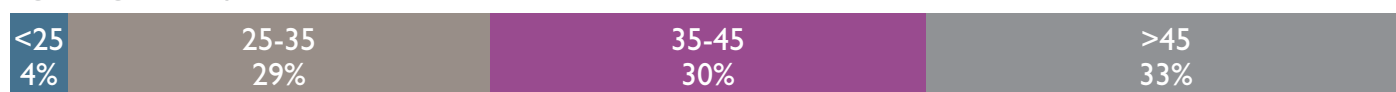
- Mark Shamley, Managing Director, Association of Corporate Contributions Professionals (ACCP)
- Richard Howitt MEP, the European Parliament's Spokesperson on CSR
- Professor Cathy Pharoah, Director, Centre for Charitable Giving and Philanthropy
- Bill Eyres, Head of Sustainability, Telefónica UK & Europe
- Andrew Dunnett, Director, Vodafone Group Foundation
- Frank Krikhaar, Global Head of Corporate Responsibility, Aegis Group

3. An online survey of community practitioners and other experts

We undertook a quantitative survey of professionals who work in or have a professional interest in community investment. This allowed us to test some of the ideas to ensure that they were plausible. Our survey achieved 106 respondents, the majority of which were in-house community managers.



Age range of respondents



The Changing Context

Corporate community investment has evolved significantly in recent years. When we think back to fifteen years ago, business benefits were poorly understood, impact measurement was still primitive, and global standards for responsible businesses such as the Dow Jones Sustainability Index (DJSI) and the Global Reporting Initiative (GRI)* had not yet emerged.

Since then there have been some significant changes: Companies are giving more than just cash donations. Research from the Directory for Social Change (DSC) has shown that company giving in the UK has remained steady as a percentage of pre-tax profits, but has fallen in value terms as an increasing amount of donations have been made in-kind. Measurement of the inputs, outputs and impacts of community investment have increased markedly.

Fifteen years ago London Benchmarking Group (LBG), the global standard for measuring community investment, had just 6 members, and today this has risen to 300 members worldwide.

Corporate contributions to community causes are growing – but changing in form.

According to LBG members, contributions have risen from £1.1bn in 2007 to £1.65bn in 2012.

However, five years ago, nearly 70% of these were 'cash' contributions. Today, that figure is 54% as the proportion of giving made up of 'employee time' and 'in-kind' contributions has risen sharply.

We have seen new models of corporate giving emerge. Community investment is increasingly tied to a broader sustainability agenda.

Emerging Innovations

Argos Toy Exchange encouraged Mums to donate unwanted toys, taking them to their local store.

Argos' partner, Barnardo's, then sold them to raise funds. In return for each donation Mums received a £5 Argos voucher to spend on toy purchases over £35 in-store.

In 2012 the activity raised over £700k for Barnardo's. Its success lay in an opportunity to clear out the kids' unwanted toys, involving children with a fun, altruistic activity. Each donation raised around £10 on average and increased awareness of the charity. For Argos it complemented the business, increasing loyalty and strengthening brand perception.

M&S partners with Oxfam to provide an in-store clothes recycling scheme. Through the partnership they encourage consumers to give an unwanted piece of clothing every time they buy a new one, and the concept has been heralded as revolutionising clothes shopping in a move towards sustainable fashion.

* Dow Jones Sustainability Index (DJSI): a set of indices to measure the financial performance of companies that are considered sustainability leaders.
The Global Reporting Initiative (GRI): a non-profit organization that promotes economic, environmental and social sustainability.

“Giving isn’t just about money – more companies are contributing time, expertise and information in novel ways”

Four Trends

Based upon our expert interviews and the practitioner survey, we have identified four major trends that we believe will shape the future of corporate giving.

They are:

- Innovation Unleashed
- Commercialisation
- Collaborative Coalitions
- Cause-related Movements

Each trend is closely intertwined with the others; they support and enable one another.

The experts who took part in this project indicated that they felt a combination of these issues will shape the future for how companies interact with the community in the next decade.

Innovation Unleashed

New technologies, innovative channels and interactive media will enable companies to contribute to community causes in ground-breaking ways in ten years' time.

The millennial generation is much more comfortable with digital and social media. Many of the managers of community programmes in the 2020s will be fully at ease with online technologies.

“Giving isn’t just about money – more companies are contributing time, expertise and information in novel ways”

– Richard Howitt, MEP, the European Parliament’s spokesperson on CSR

Nearly three quarters of our survey respondents said that they could foresee giving programmes, such as skills volunteering, being delivered using online technologies in ten years' time.

In the future employees could give up chunks of their time to help charitable causes with design skills, technical advice, writing reports and online support.

“I can see a future where most volunteering is online. Our business is becoming more digital, so that makes sense for us”

– Frank Krikhaar, Global Head of Corporate Responsibility, Aegis Group

There are four key benefits from new technologies:

Firstly, effective technology can be engaging and motivating. By sharing information in an interactive way, employees and customers can see the results come to life. Video can help to visualise causes and projects and inspire others to act.

Corporate giving of the future will involve more people recording their own experiences on video and sharing those with colleagues and consumers. Contributions through social media will become a new form of giving for companies that goes further through digital reach.

Employees can be recognised and rewarded for their community contributions at the click of a computer:

For example, ‘citizen journalism’ involves members of the public capturing and disseminating news information.

“Citizen Journalism and philanthropy captured on video can be very powerful”

– Mark Shamley, Managing Director, Association of Corporate Contributions Professionals (ACCP)

Secondly, digital systems will allow for accurate tracking and measurement. Hand held devices in the future will enable the real-time inputting of data and feedback from projects.

Shared dashboards with programme partners will all increase visibility and enhance reporting.

Innovation Unleashed

Thirdly, innovative platforms allow the flexibility to fit programmes around the users and beneficiaries.

Day-long, face-to-face volunteering can be supplemented by shorter activity such as hour-long online support. For example, companies might provide digital mentoring to youngsters or pro bono advice on issues from marketing to accountancy.

Nearly three quarters of all survey respondents (73%) suggested that “online volunteering” of “small chunks of time” would be the norm in ten years’ time.

Finally, as more and more of the world is connected, community needs will also emerge that are entirely digital. Advertising, media, telecommunications and IT companies will apply their skills to tackling issues such as online bullying or digital exclusion.

Of course, not everything will be online. A counter-view that the experts expressed is that face-to-face activity could become more significant in a digital world.

This explosion of innovation will create new challenges for companies. In particular, it will mean that the need to select and measure the right indicators and communicate useful things – not just noise – will become more important than ever.

Technologies like social media are evolving dramatically; their full potential has not yet been felt. The very technologies that will enhance and stimulate future corporate giving will also be used to expose any shortcomings, over-claiming and PR-blunders.

“Social media is a great equalizer. If you’re not doing what you’re supposed to be doing, then people will find out – increasingly through social media”

– Mark Shamley, Managing Director, Association of Corporate Contributions Professionals (ACCP)

Online social ‘noise’ also creates risks in terms of over-saturated media. In space that is owned by everyone – the community equivalent of a giant, online marketplace – the need to stand out will be challenging.

Some users will demand opt-outs from a bombardment of messages, a key challenge for community programmes in the future.

Emerging Innovations

Aegis incubated the online Global Giving Platform that connects employees with community causes around the world. By enabling staff to give up small chunks of their time online, the business has built a scalable and replicable model in the digital space.

Stockholm City Mission estimates that there are 220 million unused garments in the closets of Stockholm. It now has a Facebook app that is designed to spur city-dwellers into donating old, unwanted clothes to charity. The “You’ll never wear that again” app trawls through old photos on Facebook - with owners’ permission - and then highlights a few and asks whether you might like to donate them to Stockholm City Mission’s second-hand stores. If you agree and share the images and donation with Facebook friends, the charity asks participants invite those friends to do the same.

Bank Machine Ltd has introduced ATM Giving in the UK. This allows the public to donate money to their favourite charities when they make visits to a Bank Machine ATM. Each cashpoint lists six charity beneficiaries with each region presenting six different charities.

Pennies Foundation developed a micro-donation scheme which allows shoppers who pay by card to make small charitable donations, usually by rounding the amount they pay up to the nearest pound. The donation goes to the retailer’s chosen charity.

“People used to be very suspicious if your activity was linked to core business. Now they are suspicious if it is not”

Commercialisation

The relationship between a company's community involvement and its commercial activities has been growing for a number of years. In the future, this trend will accelerate.

The boundary will blur further as companies seek more measurable coherence and long-term profits from their corporate giving.

Softer benefits such as staff loyalty and enhanced reputation will no longer be enough to 'claim' – community initiatives will need to measurably contribute to driving company profitability.

Social value and commercial value cannot be neatly separated. But all the interviewees we spoke to and 85% of survey respondents felt that there would be a greater focus on delivery of the business strategy through corporate community involvement in the future.

Of all the trends we tested, practitioners rated this as the most significant.

“People used to be very suspicious if your activity was linked to core business. Now they are suspicious if it is not”

- Andrew Dunnett, Director, Vodafone Foundation

In the future, most community programmes will not be considered a separate, “add on” to the business.

Companies will increasingly seek to harness real business benefits: such as making employees more creative and entrepreneurial; building their brand and reputation; and harnessing innovative new ideas for products and services that the business can then deliver.

A major driver of this trend is the pressure to account for company resources and demonstrate value, particularly if tough economic times continue.

Community programmes will seek to align with something “meaningful” for the business.

That means that the skills, market knowledge, technologies and business focus of the company will shape the community programme.

One significant impact of this shift may be that some charities that cannot closely align with businesses risk losing out.

“It may become more difficult for some charities to raise funds, but it can also appeal to companies to support more challenging causes and not just take the easy option”

- Richard Howitt, MEP, The European Parliament's Spokesperson on CSR

Proving meaningfulness requires measurement. The second most significant trend rated in our survey was a growing focus on the need to accurately measure the impact a company is having - for the community as well as the business.

Businesses in the 2020s may be expected to demonstrate the commercial value of community activities.

Indeed, some experts felt this could become a core competitive issue. Just over half of survey respondents (52%) could imagine companies “struggling to compete” if they were not involved in corporate giving.

“Closer alignment is increasingly being driven by competitive advantage and the competitive context”

- Mark Shamley, Managing Director, Association of Corporate Contributions Professionals (ACCP)

This shift will create changes for all involved. Our experts suggested that the job of community managers is set to become more challenging.

For a practitioner in the ICT sector, understanding the impact a business is having on improving computer literacy, and the benefits of this to the company's market share, is a much tougher task than simply totalling up a cash contribution. New tools will be developed, and charities of the future will need smarter and more effective means of evaluation.

Commercialisation continued

It remains to be seen who might be charged with developing these tools; or have the most to gain by employing them

“Developing robust evaluation measures will certainly provide advantage. From the corporate stakeholder’s viewpoint it demonstrates outcome, which supports the initial investment and makes a case for further support. From charities’ perspectives having the ability to show hard and fast progress toward a stated objective strengthens the case for involvement.”

- Linda Minnis, CEO, Charities Trust

Community managers will need to better spot overlaps with other areas of the business and manage cross-functional relationships.

Managers will need to understand wider business benefits, involve colleagues from different functions and collaborate with external partners to meet business and community aims.

Not-for-profit partners will need to approach projects from the perspective of what the company is trying to achieve as well as how to meet their own charitable objectives.

Finding the synergy between company and community will be the key skills for all parties. A clearer definition of the value of corporate giving will emerge.

New business benefits will also bubble up and allow pioneering leaders to differentiate themselves.

For example, some companies today, such as pharmaceuticals, have begun to explore how community programmes can help access to a new market, innovate a product and build their license to operate.

These win-win relationships will become much more common in the future.

“Companies of the future may look to how community programmes can help them to gain a foothold in a new market, reach out to people, apply their skills, innovate and learn”

- Frank Krikhaar, Global Head of Corporate Responsibility, Aegis Group

The ultimate evidence of this trend will be when more companies move away from a stand-alone community programme and re-brand and fund activities as for-profit, commercial ventures.

Does this mean that community departments cease to exist? Will corporate giving become part of new business development, market research or human resources?

“An early indicator of a move towards this trend was demonstrated by Costa Coffee.

We worked to help the company as it set up a long-term charitable strategy in 2006. The aim of the Foundation was to do the right thing by giving something back to coffee growing communities, after all; without their help Costa wouldn’t have a business.

The Foundation provides access to a quality education for children in coffee growing communities.

It’s something the farmers requested and a route to reducing poverty long-term. Once the children had their education they wanted to go home and grow better coffee. There’s no doubt that there are shared benefits and profits on both sides.”

- Linda Minnis, CEO, Charities Trust.

“Transforming communities can be part of what a company stands for, even if you can’t always track that back to an improved share price”

We tested this idea in our survey. A majority (56%) said that they could foresee corporate giving no longer existing as a separate activity, and instead being “driven as part of core business strategy”.

However, the experts we spoke to urged caution. They maintained that traditional philanthropy is unlikely to disappear.

A portion of corporate giving, perhaps cash donations tied to what employees say is important to them, is likely to continue for the foreseeable future because businesses will not just tackle issues for profit.

Companies will not always be able to trace the impact to the bottom line from responding to staff concerns or meeting a pressing, local community need.

Nevertheless, some of these traditional philanthropic activities will remain – articulated as making good business sense as well as being the right thing to do.

“Transforming communities can be part of what a company stands for, even if you can’t always track that back to an improved share price”

- Andrew Dunnett, Director, Vodafone Foundation

Emerging Innovations

Vodafone’s M-PESA is a mobile money transfer service, launched in Kenya in 2007 to tackle the challenge of financial inclusion in developing markets - allowing those without a bank account to transfer money as easily as sending a text message. Within 18 months it had reached four million people and allowed Safaricom’s (Vodafone’s affiliate in Kenya) to generate considerably revenues from meeting the need for bank accounts in an innovative way.

Nestlé’s ‘Creating Shared Value’ model is central in its approach to developing markets across the world. The company works with more than 600 000 farmers – most of whom operate small farms – to have a reliable, safe and high-quality milk supply. Farmers benefit from microfinance loans, advice and support, including free veterinary services. The company benefits by building local knowledge, skills and capacity in the dairy sector; and secure access to a critical raw material through a more visible supply chains.

Citibank and Parinaam Foundation will make financial literacy training available to more than 31,000 women in 14 states in India. “We work with disadvantaged slum dwellers and the program fits very well into Parinaam’s goal to create positive ‘change’ in the lives of the urban and semi-urban poor. Our approach to delivering financial literacy is based on achieving defined, measurable outcomes,” says Elaine Marie Ghosh, CEO of Parinaam Foundation, a not-for-profit organization providing social services to disadvantaged slum dwellers. According to Maneesha Chadha, Head of Corporate Citizenship, Citi India, “We see financial literacy not only as an important driver to deepen financial inclusion with customers who understand and use financial services and products better; but also a means for financial institutions to improve their risk management and product offerings.”

Hindustan Unilever’s Shakti Entrepreneurial Programme helps women in rural India set up small businesses as direct-to-consumer retailers. The initiative equips women with business skills and a way out of poverty as well as creating a crucial new distribution channel for Unilever products in the fast-growing global market of low-spending consumers.

Collaborative Coalitions

Partnerships have always been central to corporate community involvement. In the future, large-scale, multi-stakeholder coalitions that span sectors and involve competitors will harness collective skills to catalyse transformational change. Collaborative coalitions will be driven by two forces.

Firstly, there is a growing recognition that many issues cannot be solved by one party alone. Instead, there is a need to pool expertise and resources to collectively tackle issues.

Secondly, by working on community issues in concert with stakeholders, a business can enhance its relationships with key customers, suppliers, not-for-profits and government agencies.

In the future, community programmes will be a key mechanism for building strong, loyal and effective working relationships.

“Corporate customers are increasingly interested in engaging on an issue...as more businesses come on board, your ability to leverage resources is greater”

- Bill Eyres, Head of Sustainability, Telefónica UK & Europe

More than eight out of ten respondents to our survey thought that corporate giving in the future would involve a greater use of partnerships with not-for-profits.

Over two thirds could see work with business suppliers and customers growing.

Companies are increasingly looking outside of their own business at the impacts and opportunities right across the value chain.

Partnerships with suppliers, corporate customers, competitors, not-for-profits and governments are becoming the norm.

“Companies recognise that we can’t achieve everything on our own. Partnerships are critical, and they are increasingly across the value chain”

- Frank Krikhaar, Global CR Manager, Aegis

By working together, companies can enhance their relationships and amplify their impact on a cause.

Charitable partnerships will increasingly involve direct competitors working together on thorny issues.

Employees may be expected to swap roles with not-for-profits as part of personal development. A philosophy of “social action” could become part of the business strategy.

“As we move from chequebook charity to a more holistic vision, many more players need to be involved. We’re seeing a shift from ‘these are our programmes’ to ‘we want to deliver societal change’”

- Andrew Dunnett, Director, Vodafone Foundation

In the future, more companies will lead coalitions that take on major global challenges.

The big issues facing the world – social issues like poverty, health and education or environmental ones like climate change – will be taken on by massive campaigns.

Smaller initiatives that can prove a real impact will seek to scale-up rapidly.

“For every issue there are thoughtful, creative and visionary people in business who will be willing to tackle it”

- Richard Howitt, MEP, the European Parliament’s spokesperson on CSR

“Collective impact is a big trend – multiple parties are coming together to pool their expertise and resources to solve big social issues”

- Mark Shamley, Managing Director, Association of Corporate Contributions Professionals (ACCP)

Many of these programmes will be open source where no one party owns the idea, technology or infrastructure.

This will enable others to join the campaign and build the scale.

“For every issue there are thoughtful, creative and visionary people in business who will be willing to tackle it”

So a company may co-create a new tool with a not-for-profit then make it freely available to its competitors as part of a public programme to “solve” a major global issue.

The roles and responsibilities of different actors are shifting, particularly between governments and companies.

This relationship varies significantly around the world, but the evidence suggests the clear cut distinctions between business doing one thing and governments another will dissolve.

Instead, we will see more companies getting involved in meeting public goals in areas like healthcare, transport and even security.

Our experts could foresee governments actively trying to learn new skills and insights from businesses.

But geographical variation is a key consideration. Relationships with governments, community needs and the role of businesses vary hugely around the world. Collaborative campaigning will take many different forms in different areas.

Emerging Innovations

The World Community Grid, created by IBM, harnesses the unused computing power of a network of more than 600,000 personal computers to help solve a variety of health and scientific issues that benefit humanity. The Grid has partnered with academic institutions, non-profits, and research organisations to address issues like Cancer, AIDS, Schistosoma, malaria, clean water, and genome comparison.

Unilever and P&G, both multinational consumer goods companies, have introduced open innovation into their research and development processes. Unilever’s Open Innovation programme outlines a series of “wants” and encourages potential partners, both amateur and professional, to submit possible solutions. P&G launched its Connect+Develop program more than 10 years ago and has developed over 2,000 global partnerships, to deliver dozens of products and accelerate innovation. A new platform in 2012 encourages amateur innovators to submit ideas.

Railway Children helps vulnerable children living alone and at risk on the streets. Railway Children works with over 26 partner organisations (including Mumsnet and Twitter; with Aviva donating £2 for every re-tweet) and with 117 projects worldwide across Africa, Asia, and the UK. Last year, together they helped 27,756 street children around the world.

Royal Mail, in partnership with Barnardo’s, work with young people aged 16 and 17 who have left school - they have the highest unemployment rate of any age group. This may cause lasting damage to young people’s prospects. Today, working in partnership with local employers, schools, colleges and other charities, they train and support over 2,200 young people every year.

Cause-related Movements

The final trend that our research indicates could be critical to the future of corporate giving is the potential to massively scale up the role that billions of consumers can play. Traditionally, cause-related marketing has involved a simple donation to a cause when a product is purchased.

In the future, mobilising the masses will involve companies enabling consumers to give up their time, donate all sorts of second hand items and even contribute “ideas” to community causes.

“Consumers are getting more involved and the company is using its core skills to fundraise”

- Professor Cathy Pharoah, Director, Centre for Charitable Giving and Philanthropy

Four in five practitioners that responded to our survey said that they could imagine companies tapping into the power of consumers “to massively scale up the impacts they have on communities or causes”.

Interestingly, more people could foresee a greater role for consumers in donating used items and volunteering (66%) than simply voting for causes or buying cause-related products (60%).

This indicates that we could see a highly significant shift towards more active engagement.

It could mean that companies left simply branding a cause and donating cash are seen as “old fashioned”.

“Consumers are likely to become more actively engaged in a cause... we could see collaborative campaigning and companies can be building that conversation”

- Bill Eyres, Head of Sustainability, Telefónica UK & Europe

Consumers are becoming more aware of where products come from and how businesses behave.

More data enables greater transparency and also increases expectations.

Companies will tap into the potential for community involvement to create an experience by more deeply embedding it into products and services.

An emotional connection at the point of purchase and use of a product can be built.

Understanding consumers is a core part of marketing. By aligning community involvement with consumer needs, businesses can build loyalty and strengthen their commercial edge.

A continuous dialogue with the consumer, for example by updating them on the impact that a donation has resulted in, can strengthen the brand.

Consumers will embrace programmes that bring them clear benefits, whether that's clearing out unused clothes to assisting with recycling out-of-date hardware.

We can expect many more businesses to match new and used products with community causes.

“Movement fundraising” will see companies facilitating large scale donations for causes.

For example, we will see consumers donate cash, used product and volunteer their time (perhaps online) as part of large-scale, company-branded environmental campaigns.

“Social campaigning will have an overarching goal to build a movement”

“Social campaigning will have an overarching goal to build a movement. Consumers will rally to support a cause if they feel it’s making a difference.

That’s work in progress, but that would be my prediction – the new movement model”

– Bill Eyres, Head of Sustainability, Telefónica UK & Europe

The global consumer base of large multinationals will also be tapped for innovative ideas.

Companies will crowd-source ideas to particularly tricky challenges, such as how to feed the world or solve water shortages.

Amateur inventors, students and others will pool ideas, work with professional R&D scientists in the companies, develop the solution, and scale its deployment worldwide through donations from consumers.

However, our interviewees also sounded a note of caution. Such campaigns are only effective if consumers sense a genuine meaningfulness.

As these programmes grow in popularity, consumers will become more selective and sometimes highly cynical about firms they believe engage in reputation-building that lacks substance.

Consumers want to feel good about their involvement with the company, but it also needs to be simple.

Straight-forward and easy to understand ‘asks’ will be critical to scaling up consumer involvement.

Emerging Innovations

Timberland has expanded its volunteering programme for employees to include its consumers. The Path of Service™ programme is even intended to attract the friends and family of its customer base. The company’s aim is to create “positive change around the world” through volunteering on social action projects.

In 2012 **P&G** joined forces with the Mayor of London, Boris Johnson, to deliver the P&G Capital clean-up. A series of sponsored events brought Londoners together to spruce up neglected areas of the city in the run-up to the Olympics. The public could sign up for events online and this resulted in an army of around 1,700 community champions dedicating up to 5,000 hours to cleaning-up London’s streets and green spaces.

Orange’s ‘Do Some Good’ app is for those who want to do something to help but have no time to spare. The Do Some Good mobile app allows people to lend a hand whenever they want, and in just five minutes. It can be anything from completing a charity survey to taking wildlife photos in the local park. With lots of people doing small things Orange is creating a big impact for charitable organisations. The company created an online community where it invited developers, charities, and others to submit ideas. Submissions were reviewed, and the best ones developed into the actions currently on the app.

The Implications for Business

The four trends each present a strategic challenge to businesses. Taken together, their implications could be profound. One thing that all four trends have in common is a blurring of boundaries.

Distinctions are dissolving between motivations (commercial or societal?), responsibilities (government, not-for-profit or business?), and drivers (companies, suppliers, corporate customers or consumers?).

Managers of the future will need to navigate this uncertainty, build coalitions, manage multiple partners and articulate the change they have created convincingly.

Our interviewees emphasized that more innovative technologies, commercial alignment, collaborative coalitions and consumer movements would not lead to a “one size fits all” approach.

Instead, different companies in many varied countries will face their own unique set of challenges and opportunities.

The four trends can be applied to individual companies through a number of different tools, such as horizon scanning and scenario planning.

Immersion in each of trends, and the building of 'future worlds' through scenarios, can identify specific risks and opportunities for your organization.

Corporate community involvement is set to present many new and powerful opportunities for companies.

Delivering value for society as well as the business will be the hallmark of successful programmes of the future.

The ultimate consequences of the four trends that we've identified are not yet clear.

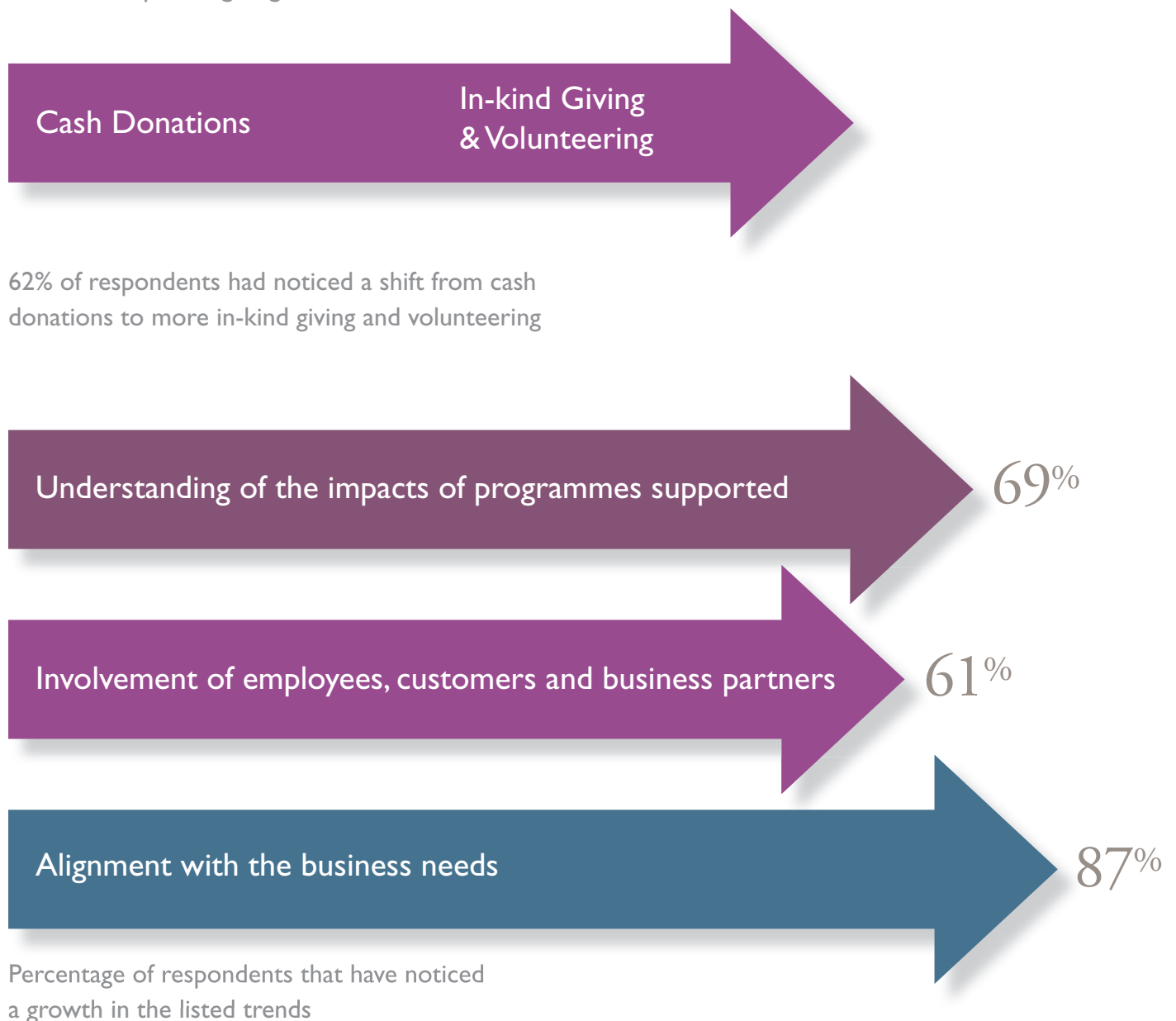
But we can confidently assert that corporate community involvement in the decade ahead is set to transform at pace.

This report is the start of a dialogue. If you've been inspired and have your own views or questions on the future of corporate giving, please get in touch.

Appendix

Survey Results

Looking back on the last few years, which of the following changes or trends have you seen in terms of corporate giving?



Survey Results

Thinking about the future now, we'd like you to consider how corporate giving might change over the next decade.

In ten years' time, do you think corporate giving will be:

More coordinated and linked by companies, particularly globally



Delivered online using digital technologies such as mobile telephony rather than in the 'real world'



More diverse and varied in terms of causes each company supports



Targeted only at projects where measurable impact is shown



Viewed Negatively by shareholders



More concentrated and focussed on just one or two flagship projects



No Don't Know Yes

Survey Results

Do you think corporate giving will involve more or less of each of the following in 2022 compared with today?

Delivery of business strategy



Partnerships with not-for-profits to deliver shared goals



Involvement of business partners - such as suppliers and corporate customers



Involving consumers - selecting causes for the company or purchasing 'cause related' products



Engaging consumers in delivery - eg donating items or volunteering enabled by or with the company



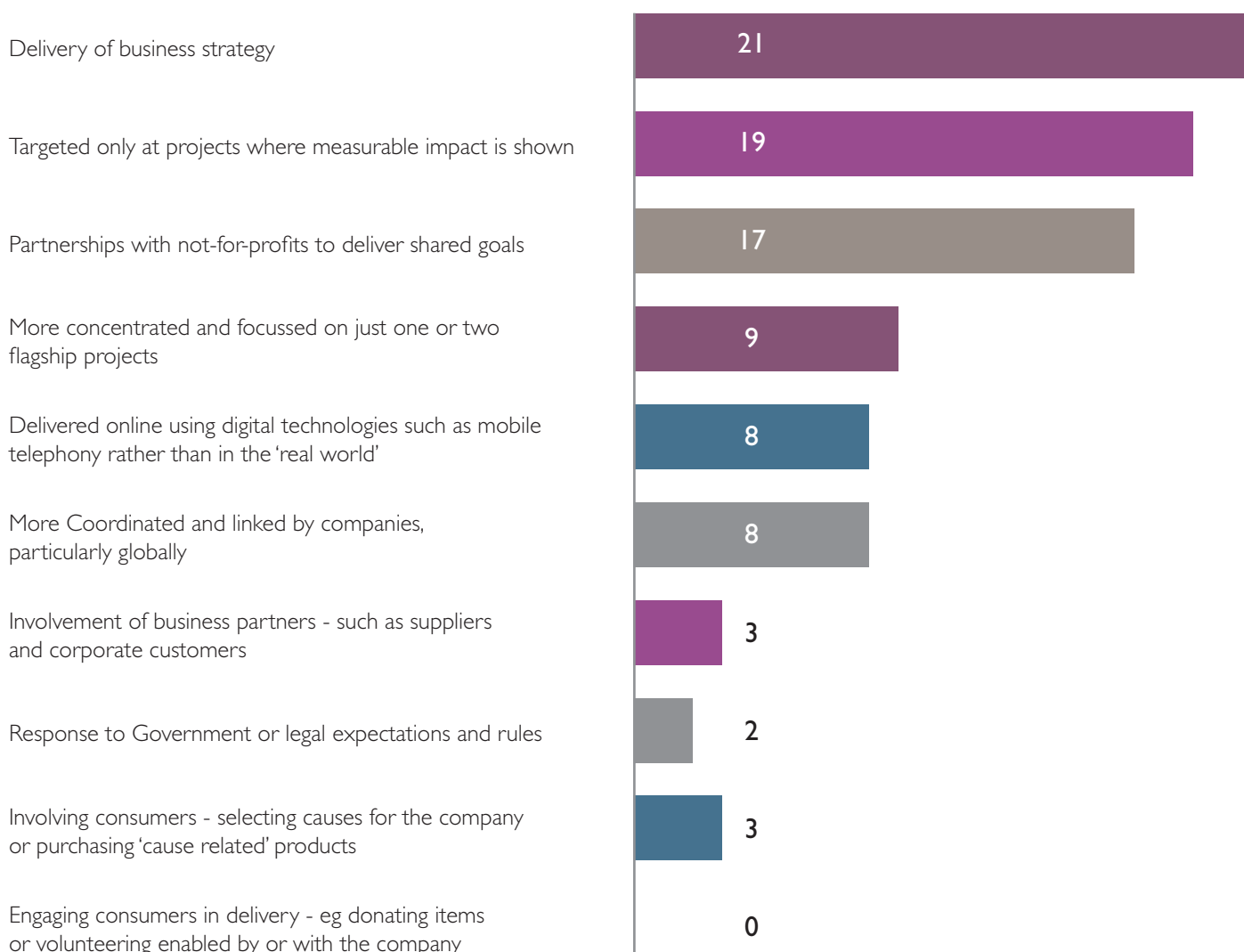
Response to Government or legal expectations and rules



 Less  Not Sure  More

Survey Results

If you had to pick just one, which do you think will be the most significant trend over the coming decade?



Survey Results

We'd like to test a few ideas with you.

For each of the following statements, please state whether you can imagine them in ten years' time, or they seem unlikely or implausible for in ten years' time.

Online volunteering will become the norm where employees give up small chunks of their time to virtually assist a community cause



Companies that support charities will be frowned upon as old fashioned, wasting time and money



Companies will tap into the power of consumers to massively scale up the impacts they have on communities or causes



Community or corporate giving won't exist as a separate programme, but the ideas will be driven as a core business strategy



Companies that don't do corporate giving will struggle to compete



 Unlikely  Not Sure  Likely



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