



Compelling arguments for the business of giving

Smart companies should think about philanthropy as one strand of a sustainable business platform, writes **Kate Frykberg.**



CHARITIES are about doing good and businesses are about making money, right? Perhaps it's not so simple. A charity that doesn't break even may not survive. And, I would argue, a business that doesn't give to its community may run a similar risk. Furthermore, both charities and businesses have a stake in community wellbeing.

Why is business giving so important? Just one survey, and there are many, says that 75 per cent of consumers won't buy from a business they don't trust – 60 per cent of them then urge their friends and family to do the same. A business' commitment to social responsibility is also a key consideration for prospective employees choosing between jobs. However, the need for businesses to support their communities is even more basic because, as the NZ Business Council for Sustainable Development points out, businesses can't succeed in societies that fail.

What does business giving involve? The options are probably limited only by our imagination,

but we can broadly divide business giving into three types: to our people, through our people and from our profit.

Giving to our people – or being a good employer – is an easy, high-impact way to give to the community and one with obvious reciprocal benefits. The social value of employment can't be over-estimated so, just through providing jobs, businesses contribute to community wellbeing. Most businesses go further, providing various workplace benefits.

Some go further still, deliberately employing 'high risk' staff and setting up processes to enable them to succeed. An example of this is Dunedin Botanical Garden's programme giving jobs to long-term unemployed young people, partnering with local charity the Malcam Trust to provide the supervision and mentoring required to cultivate great employees. Through something as simple as good employment practice we can change the face of our country.

And if, as the cliché goes, "our people are our greatest asset",

then giving through our people is another important aspect of business giving. This can include donating services, (as IT companies Enspiral and GEO-op did by setting up systems to match Student Army volunteers with areas of need after the Christchurch earthquakes), donating products (many bakeries donate excess goods to soup kitchens and drop-in centres), volunteering staff time (IBM and Vodafone both offer professional staff expertise to selected not-for-profit organisations) and match-funding payroll giving (Todd Corporation's contribution to the Christchurch earthquake included match-funding of payroll and family giving.)

Giving from our profit is another way businesses give. With government spending tightening and additional needs emerging following the recession and the Christchurch earthquakes, financial giving from businesses is more important now than ever. Sponsorship and donations are traditional ways to support com-



The Dominion Post
04-Aug-2011
Page: 5
Opinion
By: Kate Frykberg
Market: Wellington
Circulation: 84047
Type: Metro
Size: 385.86 sq.cms
Frequency: MTWTF--

munities, and, now that donations from businesses are fully tax deductible, a business prepared to donate \$1000 could well consider donating \$1500, as the post-tax impact will be the same. Some businesses, or the families who own them, take giving one step further by creating a separate philanthropic organisation; the foundations set up by Todd, Tindall, Green and Vodafone are examples. This structure allows giving to be the sole focus of the organisation, and is an increasing trend here and overseas.

There is also a substantial base of knowledge on how to maximise the community benefit from business giving, and key success factors include:

- Taking time to understand community needs. This isn't necessarily easy, as community need is complex and there are many players in the not-for-profit space. However, often high impact business giving comes from finding the intersection between community need and a business' purpose, values and areas of interest.

- Business leaders who role-model and champion giving. The importance of this was highlighted through personal experience; the internet development company I co-founded was an early adopter of corporate

volunteering, however, few staff took up this option. In retrospect the missing link was probably role-modelling, as my own volunteering was done out of hours – and rarely discussed.

- Connecting with others. Community wellbeing requires working together and learning from each other, and it helps to connect with aligned organisations. There are Corporate Social Responsibility networks in both Auckland and Wellington, while organisations like Philanthropy New Zealand, the Equal Employment Opportunities Trust and the Business Council for Sustainable Development can all assist.

Business giving is a reciprocal act, with the community and the business benefiting simultaneously. There are many ways to go about this, and many businesses, big and small, are giving in a variety of ways; this must continue to grow. And, while it makes good business sense, isn't it also nice to know that in our workday lives we can make a difference to our communities, our nation and our world.

A former ASB Businesswoman of the Year, Kate Frykberg is executive director of the Todd Foundation, chairwoman of Philanthropy New Zealand and a trustee of her family's charitable trust. Thinktank.

IS YOUR BUSINESS SUSTAINABLE?

You have till tomorrow to enter the Sustainable 60 Awards.
www.sustainable60.co.nz
 Run by Fairfax Media and PWC, the awards celebrate sustainable excellence in New Zealand. Entries close August 5.