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A Guiding Glossary

Terms from the landscape

As the landscape of corporate philanthropy evolves, so too does the terminology used to describe and define it. Changing corporate structures and “org charts,” unusual department names, and rapidly emerging disciplines all complicate the landscape and make it difficult to navigate. *Chapter 3: A Guiding Glossary* highlights some of the more important terms to help nonprofit professionals, as well as corporate employees themselves, find resources, develop relationships and create effective partnerships.¹

¹ Some references in this chapter were aided by *Wikipedia, the free encyclopedia*. Retrieved September-October, 2009



... BUSINESS UNIT

A **Business Unit**—sometimes known as a **Strategic Business Unit**, **Division**, **Affiliate** or **Segment**—is an operating structure that exists within an overall corporate entity. Most often associated with large, multi-national corporations, **Business Units** are often self-contained, separately managed organizations that have their own business strategies, objectives, brands and competitors that differ from that of the parent company.

Why This Is Important:

MANY POSSIBLE POINTS OF ENTRY. **Business Units** can be an important point of entry, especially for smaller and/or local nonprofits. **Business Units** are not necessarily located within a larger corporation's headquarters or main campus, but instead might have a more local presence. Local organizations wanting to establish a partnership with a large corporation may find that company has a **Business Unit** nearby that has an interest in partnering with local organizations.

... CAUSE MARKETING

Cause Marketing—or **Cause-Related Marketing**—refers to a type of marketing where a company connects the marketing of a product or service to a cause and/or a nonprofit. **Cause marketing**—sometimes the responsibility of the marketing organization, while other times the responsibility of individual employees embedded in the business—differs from **Corporate Philanthropy** or **Corporate Giving**, in part, because it is a marketing relationship with expenditures that are not generally tax-deductible.

Why This Is Important:

CREATING SOMETHING NEW FOR CONSUMERS TO CONSIDER. **Cause Marketing** has been around for decades, giving consumers the choice to support a cause through buying a product. Nonprofits might consider working with a company to co-brand a product related to their cause, and share the revenue from its sale.

... COMMUNICATIONS (EXTERNAL)

Most large organizations have a **Communications** department, while smaller ones might have specific personnel dedicated to coordinating external messaging. This department or employee may also be labeled **Strategic Communications**, **Corporate Communications**, **Press**, **Press Relations**, **Public Relations** or **Media Relations**. Common activities may include writing press releases, speaking at conferences, developing and executing events, and working with the press.

Why This Is Important:

MESSAGES FROM MANY PLACES. Not all organizations use the same terminology for their communications structure. But a communications strategy to external stakeholders and the media regarding a company's philanthropy can be an important part of developing awareness of and support for a nonprofit partnership. That strategy should begin by understanding an organization's communications structure and the roles and responsibilities of the personnel in it.



EMPLOYEE RESOURCE GROUP (ERG)

An **Employee Resource Group (ERG)** is a network of employees who share a common identity, characteristic or set of interests. **ERGs** exist for the betterment of not just the employees involved in the group but the company as a whole. **ERGs** engage members and other employees in initiatives and activities that try to ensure a work environment in which each candidate, employee and customer is treated with respect, dignity, fairness and cultural sensitivity. **ERGs** may go by other names, including **Business Resource Groups (BRGs)**, **Affinity Groups (AGs)** or **Employee Networks**, among others.

Why This Is Important:

FIND AND CHOOSE YOUR CHAMPION. **ERGs** have passionate employees and sometimes have their own budgets. ERG leaders can be seen as crucial champions for LGBT issues in a company, and should be engaged early in any attempt to develop a partnership with a company. **ERGs** might also understand how to create a business case internally for supporting nonprofit organizations.

FISCAL YEAR

Sometimes known as a **Financial Year** or **Budget Year**, a **Fiscal Year** is the period used for determining and calculating an organization's official financial statements, including revenue and expenses. Fiscal years vary between companies and countries. In the United States, most companies align their fiscal years to the calendar year, January 1 through December 31.

Why This Is Important:

USE IT OR LOSE IT. Before the **Fiscal Year**, departmental budgets for cash and in-kind donations are generally discussed and determined. However, sometimes budgets are not used up completely by the end of the **Fiscal Year**. There might be pressure on a department to spend extra budget in the final months of the **Fiscal Year** or risk losing it the following year. Nonprofits should be aware of a potential partner's **Fiscal Year** and consider reaching out to them a few months before the end of the year to discuss opportunities—whether to help wrap up and use remaining resources at the end of the year or to plan for new spending in the following year.



...❖ GOVERNMENT AFFAIRS

Sometimes referred to as **Government Relations (GR)** or **Public Affairs (PA)**, **Government Affairs (GA)** is a discipline that refers to an organization's relationships and strategy related to government agencies and officials, politicians and public policy. Sometimes, the work that **GA** conducts on behalf of an organization is officially defined as lobbying—the practice of influencing decisions made by the government. It includes all attempts to influence legislators and officials, whether via other legislators, constituents or organized groups. Governments often define and regulate organized group lobbying.

Why This Is Important:

RECRUIT PUBLIC ADVOCATES. When companies lobby for good, they are on the right side of the law. In the United States, corporate foundations cannot use foundation funds for direct lobbying, nor can companies reap direct benefits from their foundations. But as long as companies themselves are doing the advocacy, often through **GA**, corporate lobbying for good does not incur any more legal requirements than does conventional lobbying. Companies also need to recognize that lobbying for good is another way to build better relationships with policy makers.³ Many companies use their **Corporate Philanthropy** and **CSR** programs to show that they are making a difference with policymakers' constituents. They can also use their **GA** teams to advocate for important causes. Nonprofit organizations that are looking for strong voices and connections should consider requesting time from companies' **GA** staffers rather than just checks.

...❖ HUMAN RESOURCES (HR)

Human Resources (HR) refers to how organizations manage their people. Two of the most important terms that usually fall in the world of **HR** are recruitment and retention. Some companies may have recruitment goals related to talent and diversity; spend money finding, educating and training its workers; and develop programs to retain them.

Why This Is Important:

HELP MAKE DIVERSITY A PRIORITY. Nonprofits wanting to work with companies should consider how their partnership helps the company create a better, safer, more equitable work environment for all people. This can help an **HR** department with recruitment and retention of employees, reducing their costs and demonstrating return on investment (ROI).

³ Lobbying for Good. Kyle Peterson & Marc Pfitzer. Stanford Social Innovation Review. Winter 2009.



LEARNING & DEVELOPMENT (L&D)

Learning and Development (L&D) in companies usually focuses on the professional development, training and education of employees. **L&D** departments may offer, and sometimes require, employees to take courses, attend seminars, or gain additional training that exposes them to new ideas, strategies, developments, best practices or regulations related to their jobs or industries.

Why This Is Important:

CONDUCT YOUR OWN L&D. Nonprofit organizations might consider working with people or departments related to **L&D** to understand its priorities, strategies and upcoming schedule. There might be opportunities for the nonprofit to partner with **L&D** to develop new offerings for company employees through guest speaking/lecturing at a seminar, developing a co-branded workshop, or creating new curricula for employees.

LOCAL/REGIONAL OFFICES

Multi-national companies, big nonprofits and other large organizations may have **Local or Regional Offices**, college campus chapters, or affiliate locations to carry-out their missions in a particular location.

Why This Is Important:

THINK LOCAL, ACT LOCAL. Even though local or regional offices are part of the same larger organization, they may have more flexibility to support or partner with nonprofit organizations in their respective regions. They may also have separate cash and in-kind resources that the headquarters office does not.

MARKETING

Marketing is a term that can encompass many activities that a company does to create and keep customers. There are many disciplines that may relate to **Marketing**, including advertising, sales, public relations and more. Other marketing departments—like **Brand Marketing** or **Integrated Marketing**—might link more directly to the company effort to coordinate activities across departments to maximize the power, perception and penetration of the company's brand, products, services or image. Some marketing functions—like **Cause Marketing**—relate directly to the company's efforts to connect its products to social, environmental or other causes.

Why This Is Important:

JUST ONE AVENUE FOR FUNDING. In the past, sponsorship money, particularly for events, came from **Marketing** departments as events provided the highest brand visibility for the corporate partner. While **Marketing** dollars may still be used for this purpose, and perhaps others as well, expectations for ROI have grown from companies looking to deepen relationships with their nonprofit partners. **Marketing** is but one of a number of points of entry for a nonprofit organization.



PRO BONO

A phrase derived from the longer Latin phrase *pro bono publico*, **Pro Bono** means *for the public good*. The term is generally used to describe voluntary professional work done for free as a kind of public service. **Pro Bono** work is most commonly associated with the legal profession but is also used in other professional service organizations like public relations, business consulting and technology.

Pro bono work by corporate strategy professionals has the potential to deliver more than \$1.5 billion per year in services to the nonprofit sector.

(Source: Taproot Foundation)

Why This Is Important:

GO WHERE CASH CAN'T. Many companies offer **Pro Bono** services. Some have **Pro Bono** services housed in single departments, while others allow individual employees to spend a certain number of hours a year on **Pro Bono** work. This may be a great way for nonprofits to get valuable corporate support without the company having to outlay cash. Many companies are exploring ways to expand their **Pro Bono** work, strategically aligning these efforts with the skill sets of their employees.

Over 6.7 million professionals in corporate America have skills that are highly relevant to solving challenges faced by the nonprofit sector.

(Source: Taproot Foundation)

PRODUCT DONATIONS

Most companies that engage in some kind of corporate giving, citizenship or corporate responsibility—and that produce products—donate some of those products to nonprofits every year.

Why This Is Important:

THE POWER IN PRODUCT. Companies may have more flexibility to donate product, than they do to donate cash. For example, during a recession, excess product may sit on store shelves because consumer spending is down. However, soon stores might need to make room on-shelf for new product deliveries. To avoid sending the unsold product to landfill, companies may seek to donate it to nonprofits and community groups. So despite a bad economy—or even because of it—nonprofits should think more creatively about how to use product to support their work, instead of just cash.

97% of nonprofit leaders agree that pro bono resources could increase their social impact.

(Source: 2009 Deloitte Volunteer IMPACT Study).

Employees who contribute professional or management skills have higher volunteer retention rates.

(Source: Volunteering in America: 2007 State Trends and Rankings, Corporation for National and Community Service).



•••• PUBLIC AFFAIRS

In addition to its connection to **Government Affairs** in some organizations, **Public Affairs** is a broadcasting industry term that refers to programming that focuses on public policy, government, politics and issues (e.g., environment, education, economy) facing the public. **Public Affairs** might be separate from a news department, dedicated to creating and coordinating longer-form programs and documentaries, online content, and grassroots or community events.

Why This Is Important:

PLANNING FOR PROGRAM INTEGRATION. For cable and broadcast television and radio networks, the **Public Affairs** personnel might work with departments throughout the organization to integrate social or environmental messaging into programming. Video news segments, short- and long-form documentaries, public service announcements (PSAs), online content and webisodes, character development and casting, intra-program storylines and more might be in the purview of **Public Affairs** personnel. Moreover, these employees might develop, create and coordinate partnerships with corporate advertisers and foundations that want to associate with a particular issue or topic. Nonprofits might consider approaching **Public Affairs** with creative ideas to develop and integrate messaging into various aspects of television, radio and online programming.

•••• SOCIAL INNOVATION

Social Innovation is an emerging discipline built around the power of people to drive social and environmental change inside, outside and across organizations and industries of all kinds—including corporations, nonprofits, educational institutions and government agencies.

Why This Is Important:

NEW OPPORTUNITIES FOR UNIQUE PARTNERSHIPS. President Barack Obama recently announced his own Department of Social Innovation and the \$50 million Social Innovation Fund; Stanford University has a Center for Social Innovation; and Weber Shandwick has a global think tank and specialty group called Social Innovation. Nonprofit organizations should be open to exploring unique ideas and partnerships between and among industries and sectors to tap into opportunities related to this emerging discipline⁴.



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⁴ President Obama to Request \$50 Million to Identify and Expand Effective, Innovative Non-Profits. Whitehouse.gov. May 5, 2009.



... SUPPLY CHAIN

A **Supply Chain** is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer. In sophisticated supply chain systems, used products may re-enter the supply chain at any point where residual value is recyclable.⁵

Why This Is Important:

EXTEND TO EMPLOYEES BEYOND THE COMPANY. Some companies go beyond their own employees, and focus on opportunities for social or environmental responsibility and innovation throughout their **Supply Chain** in order to help create supplier diversity. Nonprofits looking to develop creative partnerships might consider how their ideas might expand and impact partners, suppliers and workers throughout the **Supply Chain** of a potential corporate partner. **Human Resources** or **Diversity & Inclusion** may also examine their companies' vendors to ensure that the **Supply Chain** is diversified.

... SUSTAINABILITY

A company might also have a **Sustainability** department or initiative that is part of or distinct from its **CSR** organization. **Sustainability** in a company will generally focus on its environmental impact and seek to monitor, report on, and reduce it. However, some progressive-thinking companies have begun to link environmental sustainability to social sustainability, recognizing that healthy people require a healthy planet over the long term with issues like access to clean water, the reduction of greenhouse gases, and the conservation of natural resources.

Why This Is Important:

LINK OUR PLANET TO ITS PEOPLE. With natural resources in limited supply, many companies see **Sustainability** initiatives as business critical over the long term. **Sustainability** can take on a broader notion, and people committed to developing, implementing and promoting a company's **Sustainability** initiatives, may also be open to linking planet-focused programs with people-focused programs.

⁵ *Supply Chain Network Economics: Dynamics of Prices, Flows, and Profits.* Anna Nagurney. Edward Elgar Publishing, 2006



TRIPLE BOTTOM LINE

The **Triple Bottom Line**—or TBL, 3BL or **People, Planet, Profit**—captures an expanded spectrum of values and criteria for measuring organizational and societal success: economic, ecological and social. A fourth bottom line, culture, has recently been suggested by Adam Werbach, former president of the Sierra Club, through his book, *Strategy for Sustainability*.⁶

Why This Is Important:

GOING PAST PROFIT. The **Triple Bottom Line** is often the lens through which companies create and describe their **CSR** or **Sustainability** commitments. In fact, many reporting organizations—like the Global Reporting Initiative (GRI)—require that companies issue their Corporate Responsibility Reports or **Sustainability Reports** by clearly stating objectives and reporting on progress in each of the three bottom lines of the **Triple Bottom Line**. Companies that adhere to reporting guidelines like those issued by GRI, or otherwise use language consistent with the Triple Bottom Line, may be open to measurement on nonprofit partnerships tied to soft metrics of people, planet and profit, rather than money or return on investment.⁷

VOLUNTEER DAYS, WEEKS AND EVENTS

Organizations often create specific days, weeks, or events around a particular cause or issue that employees are given the option to attend or support.

Why This Is Important:

GET INSIGHT INTO THEIR ISSUES. Nonprofit organizations should watch the kinds of issues that companies support and when they support them. Company executives and employees are often passionate about a variety of causes, where sometimes just one person drives a company's significant involvement. Nonprofits should try to understand the landscape of a company's volunteer program and commitment and consider building partnership opportunities that align with them.

⁶ *Strategy for Sustainability: A Business Manifesto*. Adam Werbach. Harvard Business Press, 2009

⁷ Globalreporting.org.



**SUPPORTING, PARTNERING WITH, AND
OTHERWISE ENGAGING LGBT NONPROFITS
ENHANCES A COMPANY'S PLACEMENT ON SEVERAL
INDICES FOR DIVERSITY AND INCLUSION,
CORPORATE CITIZENSHIP AND SOCIAL
RESPONSIBILITY, AND INNOVATION.**