

Not-for-Profit Industry

Corporate Partnerships - Moving Beyond Event Sponsorships

Once upon a time, corporate funding for nonprofits came mainly in the form of sponsorship for special events, such as galas and walks. Nonprofits set menus of available benefits at different price points, and companies supported an event at their desired level of brand exposure and budget. It was a basic philanthropic transaction.

But then two things happened to change this familiar story, one slow and one fast.

The slow thing was the rise of corporate social responsibility (CSR). Over the last decade or so, the general public has raised its expectations of the private sector. We want to see greater awareness of, and accountability on, societal-level issues. In response, companies have been gravitating away from one-off sponsorships and moving toward deeper relationships to meet those expectations.

Corporate sponsorship is not obsolete by any means—you will still see corporate sponsors listed on banners, T-shirts, and signage at charity events—but these sponsorships are extremely hard-won as companies allocate less and less of their budgets to this classic model of corporate support.

The fast thing to upend the world of corporate contributions is the COVID-19 crisis. With restrictions on in-person gatherings, nonprofit special events of all stripes have been indefinitely suspended and face an unknown future. At the same time, businesses of all shapes and sizes are hurting. With their bottom lines taking a major hit, all companies, and especially small or locally owned businesses, will have fewer resources to invest in their communities as they strive just to survive themselves.



Taken together, the slow rise of CSR and the swift upheaval of COVID-19 will push more and more companies away from sponsorships and toward a new model of nonprofit support: partnerships.

What do we mean by partnerships? It is not simply replacing one word for another. Partnerships are about impact. They balance company business objectives with the aspiration/expectation to help create positive, tangible change in communities. They are strategic and multifaceted. They are relational, and anything but the transactional sponsorships nonprofits used to know.

To be competitive in securing corporate support for your organization, you must be ready to switch from a sponsorship to a partnership mindset. Here is how you can start.

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First, take confidence: the process of building corporate partnerships is actually no different than building relationships with individual major donors. This is good news! It means your investment in sharpening relationship-building skills can be applied to multiple funding streams. As companies have become more strategic in how they give, they are less and less interested in transactional giving. This inherently leads to building relationships that, if done well, can turn into long-term partnerships.

The first step in productive relationship building, for individuals and corporations alike, is finding alignment in mission and values. This can be easier to do for a company, as many publicly share their CSR goals. If this information is not readily available, you may also make some assumptions about what a company cares about by gaining an understanding of its core business and the various community issues that touch that business.

No matter what, you must come to understand a company's goals in order to form a long-term partnership. Whereas the sponsorship model of funding may be based on marketing or personal relationships, a partnership stems from alignment in goals. Therefore, it is worth spending the time to research and truly understand if that alignment exists.

Next, have patience and start a dialogue. Once alignment is confirmed, the next step is to initiate an open dialogue. These conversations are often iterative and can take months, or even years, before they settle into a mutually beneficial partnership. It is typical in a sponsorship model to present a company with a menu of options. When building a partnership, however, you work collaboratively with your corporate partner to determine and design which actions and exposure meet your collective goals.

This process requires the nonprofit team to be open, flexible, and creative – not the traditional way of transacting with corporate sponsors (but again, partnerships are not transactional!). If interested in pursuing corporate partnerships, it is important to shift your mindset up front and go into these conversations with open ears and an open mind—requirements in designing options that are mutually beneficial.

The uniquely tailored partnerships that result tend to be long lasting as your nonprofit becomes part of the fabric of the organization's culture and less replaceable by the numerous other organizations fighting for the company's attention.

Cole, Newton & Duran's Not-for-Profit Practice

Our not-for-profit team has years of experience providing assurance, accounting, and tax services to a variety of organizations. Clients receive up-to-date information on the latest accounting developments and industry regulations.

Cole, Newton & Duran's team of professionals are involved in every stage of our client's engagement to ensure they are receiving high quality, responsive service.

Clients enjoy working with experts who help achieve their objectives. Clients receive industry knowledge and solutions they need to not only reach, but to exceed their strategic goals.

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Finally, have perseverance. It can take practice to switch from a sponsorship to partnership mindset as an organization. We hope this short discussion helps your organization determine where to begin. We also hope it helps you feel empowered, as this shared-value mindset should position your nonprofit for stronger corporate relationships that reach beyond just dollars to boosting your mission in numerous ways.

WANT TO LEARN MORE?

Join Loree Lipstein, Founder & Principal of Thread Strategies, and her colleague Tracy Shaw at Candid's webinar, "Perfect Your Corporate Partner Prospecting Strategy" on July 23, 2020. They will give you the tools to build a targeted and strategic corporate prospect list; plan a unique cultivation strategy for each prospect on your list; and craft a customized partnership pitch for prospects that show interest in partnering with your organization. [Learn more or register for the webinar.](#)

The preceding is an article by Loree Lipstein, Founder & Principal of Thread Strategies, who has worked with more than 40 nonprofits between her in-house and consulting development roles.

Contact Us

If you would like to discuss how Cole, Newton & Duran's not-for-profit team can help your organization with its tax, accounting, or consulting needs, please feel free to give me a call.

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