Smart Collaborations: Creating Meaningful Corporate-Nonprofit Partnerships in Bloomington, Indiana

By: Julie Stratmann

Undergraduate Honors Thesis
April 30th, 2014

Faculty Advisor
Leslie Lenkowsky
Professor of Practice in Public Affairs and Philanthropy
Indiana University
School of Public and Environmental Affairs
Table of Contents
Abstract .............................................................................................................................................3
Chapter 1: Introduction ....................................................................................................................4
Chapter 2: Methodology ..................................................................................................................7
Chapter 3: Literature Review ...........................................................................................................8
Chapter 4: Hoosier Hills Food Bank and Kroger ...........................................................................17
Chapter 5: Bloomington Economic Development Corporation and Indiana University ..........20
Chapter 6: United Way of Monroe County and IU Credit Union ..................................................25
Chapter 7: Analysis ........................................................................................................................33
Chapter 8: Conclusion and Further Research ................................................................................40
Appendix: Case Study Questions ...................................................................................................44
Bibliography ..................................................................................................................................46
Abstract

There are many problems in America today that require multiple sector solutions. Whether the multiple sectors are governmental-nonprofit, governmental-private, private-nonprofit, or a combination of all three, it is essential that cross-sector partnerships be created to face these serious problems and develop sustainable solutions. Governmental-nonprofit partnerships have been frequently studied and evaluated, but less research has been done on corporate-nonprofit partnerships and collaborations.

This thesis explores current research on corporate-nonprofit partnerships to gain an understanding of suggested best practices for partnerships. It then evaluates three corporate-nonprofit partnerships in the Bloomington, Indiana community to determine what partnership practices are used in a close-knit, small town community. Those practices are then compared with research on best practices to formulate recommendations to aid corporations and nonprofits in Bloomington and similar communities as they continue current cross-sector partnerships, or form new collaborations.
Chapter 1: Introduction

Cross-sector partnerships between corporate and nonprofit entities can be found in communities of all sizes today. While much research has been done on intra-sector partnerships, meaning partnerships within the nonprofit or within the corporate sector, and governmental-nonprofit partnerships, little has been done on corporate-nonprofit partnerships.

In their work, “Implementing CSR through Partnerships: Understanding the Selection, Design, and Institutionalization of Nonprofit Business Partnerships,” Maria Seitanidi and Andrew Crane define cross-sector partnerships as “a commitment by a corporation or a group of corporations to work with an organization from a different economic sector (public or nonprofit). It involves a commitment of resources—time and effort—by individuals from all partner organizations. These individuals work co-operatively to solve problems that affect them all” (Seitanidi and Crane, 414). As to the nonprofit-corporate partnership in particular, they state that the “partnership addresses issues that extend beyond organizational boundaries and traditional goals and lie within the traditional realm of public policy – that is, in the social arena.” Finally, Seitanidi and Crane emphasize that these partnerships typically involve more than a monetary donation or simply a sponsorship from a corporation to a nonprofit (Seitanidi and Crane, 414).

The need for corporate-nonprofit partnerships is growing because of increased pressure on resource-scarce nonprofits to provide public services and on corporations to be socially responsible. Alan Andreasen states that, “At a time when society is depending more on the nonprofit sector to provide a social safety net, nonprofit organizations themselves have been facing tough times” (Andreasen, 1). Corporate-nonprofit partnerships are useful to increase resources to provide the needed public services. Whether financial support, program supplies or
knowledge and expertise sharing, corporations have a wealth of resources to share with nonprofit organizations.

While corporate wealth sharing is key, the most valuable corporate-nonprofit partnerships are not one-way transactions. In successful partnerships, nonprofit organizations also provide benefits to corporations. Due to the public’s increased attention to corporate social responsibility (CSR), corporations have recently found themselves searching for meaningful nonprofit partnerships to demonstrate to their customers and stakeholders that they are committed to the betterment of society. Also, at a time when public trust of corporations is decreasing, businesses want to find nonprofit partners that reflect the interests and concerns of customers, in order to improve the business’ reputations (Thompson, 4). However, there is no easy way for organizations to identify potential partners. As Thompson points out in “Corporate Partnerships for Non-profits; a Match Made in Heaven? What Your Organization Needs to Know about Successfully Collaborating with the For-profit Sector”, there is no “‘clearing house’ where corporations and nonprofits can come together to find mutual interest” (Thompson, 4). Research on best practices and successful corporate-nonprofit partnerships may help define what organizations should look for in potential partners.

In understanding corporate-nonprofit partnerships, it is essential to distinguish three different types, along what James Austin refers to as the collaboration continuum: philanthropic, transactional, and integrative (Austin, 20).

Philanthropic partnerships involve a one-way transaction consisting of a donor and a recipient. Typically, the corporation is the charitable donor to the resource-scarce nonprofit. Communication usually consists of the nonprofit annually soliciting funds from the corporation and then providing updates on how the corporation’s money is used. While partnerships at the
philanthropic level of collaboration involve limited resources and personnel, the benefits are still real. From the nonprofit’s standpoint, its resources increase, and from the corporation’s standpoint, its reputation increases (Austin, 20-22).

Next on the continuum are transactional partnerships, where nonprofits and corporations, “carry out their resource exchanges through specific activities, such as cause-related marketing, event sponsorships, licensing, and paid service arrangements” (Austin, 22). The nonprofits and corporations often choose to work together because they have similar business strategies and missions. In many cases, transactional partnerships form after two organizations have established a strong philanthropic partnership (Austin, 22-26). In a transactional partnership, the nonprofit and corporation exchange resources of equal value.

At the end of the continuum are integrative partnerships, where partners combine resources to create a program or project that is greater than either organization could have created on its own. Austin states that integrative corporate-nonprofit partnerships have proven to be the most sustainable and create the most value for the partner organizations. However, few partnerships actually reach full integration. In an integrative collaboration, the partnership has become institutionalized and the mission of the partnership is central to both entities; both organizations consider the partnership during all business operations. Both partners are concerned with how their actions as separate entities will affect the partnership. The partners see themselves as one organization while performing tasks for the partnership. Use of “we” instead “them” and “us” by leaders of the organizations is a key indicator of the institutionalization of the partnership.

It is common in integrative collaborations for a top executive from the corporation to join the nonprofit board of directors. In that case, the corporation becomes involved in the
governance of the nonprofit and has a deeper understanding of its functioning and a higher investment in its success. Also, it is common that both partners increase the resources and information exchanged (Austin, 26-29). In integrative partnerships, two entities create a virtual, combined organization to fulfill the mission of the partnership, with investment in the partnership high on both sides.

While all corporate-nonprofit partnerships are different, current research has identified best practices in successful, sustainable partnerships in areas such as how to determine who to partner with, communication strategies, and the ways to address benefits and risks in a partnership. Because the community in which a partnership functions may have an affect on how the partnership operates, this research focuses on partnerships in Bloomington, Indiana to determine what partnership aspects create the most sustainable and valuable partnerships in that community.

**Chapter 2: Methodology**

This thesis reviews current literature on corporate-nonprofit partnerships to gain an understanding of this specific type of cross-sector collaboration, including what kinds of collaborations are being formed, the advantages and disadvantages of different collaborations, and ideas about best practices. After reviewing the literature, this thesis identifies key factors for successful corporate-nonprofit partnerships in general.

Next, this thesis examines how partnerships are implemented in the small, close-knit community of Bloomington, Indiana through interviews with business and nonprofit professionals in the Bloomington based upon a list of questions created from the review of current research.
The partnerships studied are between Hoosier Hills Food Bank and Kroger grocery stores, the Bloomington Economic Development Corporation and Indiana University, and United Way of Monroe County and the IU Credit Union. All partner organizations are well known and established in the Bloomington, Indiana community. They represent a wide variety of organizations in both the nonprofit and business sectors of Bloomington, including 501 (c) 3 and (c) 6 nonprofit organizations, a university, a financial institution, and a retail store. Study of a wide range of partnership organizations will create a better understanding of the aspects of partnerships that work for different types of organizations.

The partnerships studied also provide an example of each type of partnership along the collaboration continuum (philanthropic, transactional, and integrative). Studying examples of each type of partnership provides a better understanding of the unique aspects that create the different types of partnerships.

Chapter 3: Literature Review

Austin states that integrative partnerships are the most sustainable and create the most value for the partner organizations. While all partnerships fall somewhere on Austin’s collaboration continuum, there are certain characteristics that allow some partnerships to become integrative while others stop at the philanthropic and transactional levels. One example of a fully integrative partnership is between City Year, a nonprofit organization that brings together youth from many different backgrounds to do community service projects, and Timberland, an outdoor boot and apparel corporation, created in 1989. The partnership was initially created for Timberland to donate boots for City Year’s youth corps (Austin, 21). According to Austin,

“The relationship began to look like a highly integrated joint venture that is central to both organizations’ strategies. The magnitude and form of resource exchange increases, and joint activities broaden still further. Personnel interactions intensify, and one of the
corporate partner’s top executives had been named to the nonprofit’s board of directors and had been engaged in the governance of that partner.” (Austin, 26)

One of Timberland’s top executives also said, “This ‘mutual mission relationship’ [is] boundarylessness” and “It’s not them and us. It is just we are us and they are them and we are together us, too” (Austin, 26-27). City Year and Timberland also noted that the partnership affects the organizations’ daily operations even when the partners are not working together. For example, in 1995 Timberland began producing a line of shoes called City Year Gear to increase the corporation’s community outreach. The hard times that this partnership has endured is another example of how strongly integrated it is. In 1995, Timberland incurred losses for the first time since the start of its partnership with City Year. The corporation was ridiculed for the large grants that it made to City Year, which people viewed as the reason for the company’s losses. At the same time City Year was experiencing trouble with a newly elected republican congress that wanted to eliminate the AmeriCorps program, which provided more than half of City Year’s funding. However, through the hard times neither Timberland nor City Year withdrew resources from the partnership. Both organizations fully understood the benefits that the partnership provided and were not willing to lose them (Austin, 27).

Based on this partnership and many other integrated partnerships that have been studied, the following review of research explains the current findings about practices in corporate-nonprofit partnerships that lead to the most effective collaborations.

A review of the research done on corporate-nonprofit partnerships indicates that the key characteristics of successful corporate-nonprofit partnerships are 1) strategic fit, 2) integrated cultures, 3) intensive communication, and 4) full understanding of the purpose, benefits and risks of the partnership.
When a nonprofit organization and a corporation are considering a partnership, it is crucial that they first evaluate strategic fit. Thompson states,

“a ... key consideration is strategic fit. Is the proposed relationship credible? Is it consistent with—and supportive of—the way both parties are perceived or position themselves among donors and/or customers? If the partnership is a strategic disconnect for either party on any level, the collaboration needs to be rethought or even abandoned all together.” (Thompson, 2)

In determining strategic fit, the two organizations must look at their reputations and/or images in the community in which they operate (Thompson, 2). Partners must also evaluate the mission, vision, and values of both organizations and whether they are aligned. In “Uneasy Alliances: Lessons Learned from Partnerships between Businesses and NGOs in the Context of CSR” Dima Jamali and Tamar Keshishian state “The relationship (should) fit major strategic objectives of partners so they want to make it work. Partners (should) have long-term goals in which the relationship plays a role” (Jamali and Keshishian, 280, 2009).

A partnership will be more important to an organization or a corporation if it directly relates to its business operations (Sagawa and Segal, 181). When partnerships are created that build a relationship between the core business missions of the partners, employees and other constituents feel more invested in the partnership. Sagawa and Segal demonstrate the importance of support from constituents: “The support of internal constituents is important because they serve as evangelists among external constituents” (Sagawa and Segal, 195).

In determining strategic fit, Sagawa and Segal encourage both partners to evaluate financial strengths, management capacity, and program/product quality for themselves and their intended partner. Sagawa and Segal suggest that both partners “consider an organization’s needs and assets and identify factors that will encourage or inhibit partnerships in order to analyze whether or not to pursue a cross-sector alliance” (Sagawa and Segal, 183).
The partner organizations do not have to be alike in all areas. The evaluation is just for each partner to look within its organization and at its partner’s to understand what challenges it may face in order to design strategies to overcome them and to understand the strengths of both partners that can add value to the partnership.

Evaluating the financial strengths and weaknesses of both partners is essential. An organization considering a partnership should determine whether its potential partner is experiencing any serious financial problems or has any financial weaknesses that could impact the partnership. Sagawa and Segal point out that if an organization must decide between paying its employees and keeping its financial promise to the partnership, in almost every case, the organization will pay its employees (Sagawa and Segal, 182). In order to avoid situations such as this, both partners need to ensure that the partnership is financially manageable for both organizations, along with their normal business operations. It is important to note, however, that a nonprofit organization may enter into a partnership with a corporation because it is struggling financially and is looking for financial support. In this case, the corporation must analyze the nonprofit’s other sources of funding to ensure that the nonprofit could function without the partnership (Sagawa and Segal, 182). Evaluating the financial strengths and weaknesses of both entities ensures that neither organization becomes overly resource-dependent on the other.

A corporation may also become dependent on a nonprofit because of the increased community reputation the corporation receives as a result of the partnership. A nonprofit must evaluate a corporation’s purpose for entering into a partnership. If a corporation’s motive is solely to increase its reputation, a nonprofit may want to reconsider the partnership because the corporation may not want to work to solve the issue that the partnership addresses but rather just be associated with the nonprofit to increase its corporate image.
Management capacity is another essential aspect of partnerships that must be evaluated to ensure strategic fit. As research has indicated, successful cross-sector partnerships require a high investment of employee time and labor. As will be discussed later, there must be many points of communication between partners, which require a great deal of labor and time from staff at both organizations. Organizations in the partnership must make certain that each partner has the necessary capacity to support the partnership (Sagawa and Segal, 182-183).

In evaluating strategic fit, both partners should also look at program/product quality. The partners should look at how successful each organization has been with similar programs and partnerships in the past. If a partnership is created to strengthen an existing program, partners must evaluate the success of that program. A nonprofit should look at a corporation’s past giving and philanthropic activities to determine its commitment to and knowledge of philanthropy (Sagawa and Segal, 183). The answers to these questions will give the nonprofit insight as to how the corporation will implement and sustain the partnership.

Comparing working cultures of organizations is also important when creating corporate-nonprofit partnerships. To some extent, cultural differences are inherent in a corporate-nonprofit partnership. In The Collaboration Challenge, Austin quoted one corporate executive, who stated,

“The hardest challenge is the cultural difference between corporate and nonprofit organizations. We (corporations) just move much faster. Negotiations are different. Accountability is different. Everything is different. Once you understand how nonprofits work, think and operate, you can get a lot of great things accomplished. Companies just need to take the time to develop a relationship in full.” (Austin, 14-15)

However, it can also be said that nonprofits must understand how corporations work. It is essential from the beginning that working cultures of the two partners are understood and aligned in order to predict how partnership activities will operate.
Although some cultural difference is inherent within the relationship, there are certain aspects of culture that can be shared between a corporation and a nonprofit. Sagawa and Segal identify eight key cultural aspects for partners to compare: decision-making style, approach to problem solving, work style, communication, ethics, employee development, formality, and mission-driven culture (Sagawa and Segal, 204). When partners begin by examining these cultural aspects, they are able to move forward in a more productive manner. Sagawa and Segal explain that it is not essential or even likely that a nonprofit and a corporation will agree on all eight of the aspects. They say,

“In the best case, an organization would find partners that share the most important elements of its culture. However, successful partnerships can be determined where there is a cultural mismatch, although these relationships are harder to manage and sustain.” (Sagawa and Segal, 205)

Jamali and Keshishian observe that once partners have identified their differences in working cultures, they can develop “a set of working practices and procedures to level out differences in working style/culture” (Jamali and Keshishian, 280).

After integrated cultures, the next essential component for creating partnerships is intensive communication. Jamali and Keshishian define intensive communication as “regular communication through different channels” (Jamali and Keshishian, 280). Sagawa and Segal take this definition one step further by declaring that intensive communication must take place primarily in frequent face-to-face meetings (Sagawa and Segal, 199-200). Austin goes even further by including all stakeholders:

“Partners must work to develop ongoing and effective communication between themselves, among the personnel within each organization, and with outside stakeholders and others about the alliance’s mission, activities, needs, and accomplishments.” (Austin, 131)
Effective communication is important for building trust within partnerships. Having a representative from each organization who is responsible for the partnership travel to the other partner’s headquarters or local office is a key early communication action. By visiting the headquarters or local office of the other partner, each partner is able to learn about the other organization and see how it functions on a daily basis. Such a visit may well also help with understanding cultural differences (Sagawa and Segal, 202).

Both partners must be present at and contribute to discussions of the goals and outcomes of the partnerships and be open about their expectations for the partnership (Sagawa and Segal, 201). Sagawa and Segal state that in order for partners to have effective communication, they must have candid communication. Candid communication requires being direct and upfront about all issues in a partnership. Organizations cannot be afraid to speak up when their needs are not being met in the partnership (Sagawa and Segal, 215). Finally, partners must define the information to be shared and develop means of communicating that information. Jamali and Keshishian recommend that, “Partners share information required to make the partnership work, including their objective/goals, technical data/knowledge of conflicts, trouble spots or changing situations” (Jamali and Keshishian, 280). It is important that the communication between partners go both ways. Corporations sometimes expect nonprofit partners to report to the corporation just as any other organization that it grants money to (Seitanidi and Crane, 419). However, corporations also must report to nonprofits on partnership activities, successes, and failure just as they expect a nonprofit to report to them.

For a successful partnership, the organizations should collectively create a Memorandum of Understanding (MoU) or a Heads Agreement that explicitly describes the partnership’s objectives and expectations by both partners (Seitanidi and Crane, 418-419). However, the
common practice is for corporations to expect their nonprofit partners to complete all partnership agreements or reporting forms (Seitanidi and Crane, 419) with the corporation simply approving the forms and contracts created by the nonprofit partner. When studying two corporate-nonprofit partnerships, Maria Seitanidi and Andrew Crane noted,

> “An interesting observation that was shared across both partnerships was that reports were compiled only from the NPO and submitted to the business. The one-way reporting reflects a pre-CSR reality of interaction between a business and a nonprofit organization that dominated transactional relationships such as sponsorship and earlier corporate philanthropy.” (Seitanidi and Crane, 419)

In order to move away from these pre-CSR mentalities, nonprofits and corporations should jointly draft partnership agreements and goals. During the implementation of the partnerships, both partners should also report progress, new findings, accomplishments, and challenges to the other partner on a regular basis. In many partnerships, especially transactional and philanthropic partnerships, a corporation and a nonprofit organization do different work for the partnership. Therefore each partner must report to the other on its activities.

After intensive communication, the final characteristic of successful corporate-nonprofit partnerships is a full understanding of the purpose, risks and benefits of the partnership. According to Austin, “Vagueness and ambiguity will cloud the vision of the undertaking and may breed confusion or even conflict” (Austin, 175). As a part of clearly determining the purpose of the partnership, Austin says that both partners should discuss where they would like the partnership to wind up on the collaboration continuum. Although integrative partnerships are the most valuable and sustainable, in some cases integration is not possible because of the time and labor required. Partners should be clear in explaining their expectations for the amount of investment in the partnership (Austin, 175). In these discussions, both partners must also outline their understanding of the benefits and risks associated with the partnership; if they are not in
agreement, the partners must figure out why and how they can reach agreement or create working practices that meet the needs of both organizations. It is detrimental for corporations and nonprofit organizations to hide any expectations or needs of the partnership in the creation phase and during the partnership. The purpose of the partnership and all benefits and risks associated with it should be clearly described in a written document prepared jointly by the organizations (Austin, 175-176).

Although the current literature on corporate-nonprofit partnerships is a good starting point for understanding generally how successful partnerships function, it does not address important specifics of successful partnerships. For example, the literature does not address who should be responsible for the partnership at either a nonprofit organization or a corporation. Are corporate-nonprofit partnerships so important that the executive director or CEO should be the leader of the project, or do these partnerships require so much time and labor that no executive director or CEO would have the capacity to lead them? Second, does the length of a partnership matter? Are corporate-nonprofit partnerships that are created to last indefinitely more successful than partnerships that are designed to run for a specified amount of time?

The remainder of this paper will study three partnerships in the Bloomington, Indiana that represent the three levels of corporate-nonprofit partnerships, philanthropic, transactional, and integrative and analyze whether these partnerships contain the four characteristics of successful partnerships identified above; strategic fit, integrative culture, intensive communication, and full understanding of purpose, risks, and benefits, or whether other factors are important to the success of the partnerships.
Chapter 4: Hoosier Hills Food Bank and Kroger

At the philanthropic level is a partnership created between Hoosier Hills Food Bank and Kroger. Hoosier Hills Food Bank was founded in 1982 with the mission of stopping food waste in Bloomington, Indiana and helping the hungry in the community. Hoosier Hills is a member of Feeding America, a national organization, which supports food banks all over the United States, and a member of Feeding Indiana’s Hungry (FIsH), Indiana’s association of Feeding America food banks (Hoosier Hills Food Bank). At the creation of Hoosier Hills Food Bank, top leaders knew that the organization would need the support of local grocers for food donations. According to Julio Alonso, current executive director of the Food Bank, Kroger was one of the first organizations to become a food donor.

In the beginning, Hoosier Hills simply formed relationships with the store managers at individual Kroger stores. If the store manager was willing to devote time to sorting out food that could be donated, a partnership was created. Tom Ruemler, a local Kroger store manager, said that he remembers the director of Hoosier Hills approaching him for donations. The relationship-building resulted in partnerships with Kroger stores in six counties of south-central Indiana. In the last five years, the partnership has become more formalized with the Kroger Co. regional office located in Indianapolis, Indiana working with Feeding America and FIsH to create partnership guidelines. The formalization process also led to Kroger regional office partnerships with many other local food banks throughout most of the Midwest, as well as inclusion of two other stores owned by Kroger, JayCs and Ruler Foods. Alonso said the addition of these stores “drastically increased the amount of food we are getting” (Alonso).

Ruemler, who also sits on Hoosier Hills’ board of directors, said that he views Kroger’s food donation primarily as a moral obligation. Ruemler said that before Kroger began donating
food to Hoosier Hills it would throw food that could not be sold in the trash. Ruemler, a religious man, said that he always felt like it was a sin to just discard so much useful food (Ruemler).

In addition to the food donations, Kroger is also a large financial supporter of Hoosier Hills Food Bank and holds food drives for it. Every holiday season Kroger conducts the “Share Your Feast” food drive. Kroger stores sell grocery bags full of food for three, five, or ten dollars that are then donated to the Food Bank. Kroger also provides grocery bags for the Postal Service’s “Stamp Out Hunger” food drive, which has consistently been Hoosier Hills’ top food drive. Hoosier Hills sends out postcards with Kroger grocery bags attached and participants are asked to fill the bags with groceries and leave them out for the mail carriers to pick up.

Other grocers in the six counties that Hoosier Hills serves, including Wal-Mart and Marsh, have similar food-donation programs. However, Alonso noted, “Kroger is definitely one of our longest and most important partnerships” (Alonso). Both Wal-Mart and Marsh began donating food much later than Kroger. Wal-Mart quickly rose to reach the most pounds donated simply because of its size and the number of stores in the area. In 2012, Kroger was the third largest food donor, donating 188,249 pounds, while Wal-Mart donated 364,233 pounds. Marsh came in just below Kroger, donating 164,392 pounds.

To further the partnership Ruemler was asked to joined Hoosier Hills’ board of directors. Alonso said that having Ruemler on the board has increased the communication in the partnership. Alonso usually takes any large issues to Ruemler, who then contacts the appropriate people at Kroger to find a solution to the problem. According to Ruemler, sitting on the nonprofit’s board of directors is one of the best forms of evaluation that a corporation can use in a corporate-nonprofit partnership. Ruemler was able to compare Kroger’s donations to other similar organizations and to analyze how the Food Bank used Kroger’s food and monetary
donations. Sitting on the board has also given Ruemler a better understanding of food scarcity issues in Bloomington. Ruemler will soon be retiring from Kroger and plans to stay involved with the Food Bank by aiding in food distributions to local residents.

The formalization of the partnerships by The Kroger Co. regional office has also increased communication. Alonso and staff communicate with Kroger regional executives in Indianapolis on a regular basis about food drives, bag donations, financial donations, and public relations issues. Hoosier Hills’ drivers also travel to all of the donating grocers in the service area every day to pick up food. The drivers frequently communicate with store managers and other Kroger employees during the pick-ups.

Many food banks have to worry about the quality of food that they receive in donations. However, Alonso said that this is not an issue with Kroger any more than it is with the other grocers. He also commented “From our prospective, we are willing to sort through that small percentage of stuff to make sure we have the good stuff to be able to distribute” (Alonso). Evaluation is one area that the Hoosier Hills/Kroger partnership has not emphasized. Alonso said, “Honestly, there is not really a formal process for doing that. I don’t know if there is on their end or not” (Alonso). Hoosier Hills does compare Kroger’s food donations each year to donations in past years and to other donors. However, the differences in donations are often the result of the size of the organization and the success of the business from year to year. Alonso believes that the evaluation process is not as formal as it needs to be and that the food bank should do more in-depth analysis of the partnership. Donations from Kroger vary regularly, but there have not been sizable fluctuations. Alonso’s comment about not knowing what kind of evaluation Kroger does for the partnership may represent a gap in communication. Kroger may have a formal evaluation process.
Recognition for the activities of the partnership was not a desired benefit for Kroger. Ruemler said that he does not feel much recognition is needed for the work that Kroger does with Hoosier Hills. This year, Hoosier Hills wanted to write a story about Kroger and Ruemler’s support of the organization in the annual report. However, Ruemler told Hoosier Hills that he was not comfortable with that level of recognition. Ruemler said that one problem in many corporate-nonprofit partnerships is that the corporation creates a partnership for recognition. Ruemler said “We just want to help somebody...we owe that to the community”, and he believes that other corporations should share this view.

One way that Kroger has shown its commitment to “just helping somebody” is by changing the types of food it donates. In the beginning of the partnership Kroger donated mostly canned and boxed goods. However, after the partnership was formalized from the regional office, Kroger began donating produce and meat as well. Ruemler stated, “We were evaluating what we gave to the food banks and how we do the food drives. We thought that we needed to think more about the communities that we serve and really be more involved, so then we went to produce and meat, which is actually nutritious” (Ruemler). The shift to donation of more nutritious food shows that Kroger is truly concerned about the community it serves through its partnership with Hoosier Hills and learns from the work that it does.

Chapter 5: Bloomington Economic Development Corporation and Indiana University

At the transactional level is a partnership between Indiana University (“IU”) and the Bloomington Economic Development Corporation (“BEDC”). Although IU is considered a state agency according to the Internal Revenue Service, in many respects, the institution has a presence like a business in the Bloomington community. IU is major financial contributor for many Bloomington nonprofits, as well as a major sponsor for nonprofit events. According to
IU’s Vice President for Engagement, William Stephan, IU frequently partners with nonprofit organizations in Bloomington and Indianapolis, primarily for the purpose of increasing the region’s economic development.

The collaboration with the BEDC is one of IU’s strongest partnerships in Bloomington. The BEDC is a 501 (c) 6 nonprofit organization. According to the IRS, the 501 (c) 6 classification is for business leagues, chambers of commerce, real estate boards, boards of trade, and professional football leagues, whose sole purpose is member benefits rather than profit (Reilly). The mission of the BEDC is to be “the catalyst for retention, development and attraction of quality jobs in Monroe County.” The BEDC fulfills its mission by facilitating leadership opportunities in the community, guiding the community on issues that affect business growth, and working to grow and retain talent in key business industries in Bloomington (Bloomington Economic Development Corporation).

In 2008, the BEDC decided that to further develop the Bloomington business community, it needed to bring high-skilled technology jobs to the area. The BEDC recognized that businesses and agencies in the Bloomington area struggled to attract technology specialists and were experiencing technology-related challenges. Therefore, the BEDC created the Bloomington Technology Partnership (“BTP”) to increase the size and skill-level of the technology sector in Bloomington. At the announcement of the creation of BTP, BEDC president Ronald Walker said,

“After consulting with many local companies, the IU School of Informatics and the City of Bloomington Mayor’s Office, we saw a need to focus resources toward supporting our existing technology business sector and facilitating the development of new technology opportunities.” (Take Action)

The BTP supports local technology professionals and businesses and promotes growth of Bloomington’s technology sector through talent recruitment, networking opportunities, and
technical assistance. (Bloomington’s Tech Effort Goes Full-Time). The BTP was modeled after another one of the BEDC’s successful corporate-nonprofit partnerships created in 2003, the Bloomington Life Science Partnership (“BLSP”).

The BEDC has partnered with IU on many occasions and IU has always been a large financial supporter of the nonprofit organization. IU officials were also very interested in increasing the Bloomington technology sector because they had just opened IU’s School of Informatics and Computing eight years earlier in 2000 (School of Informatics and Computing). BEDC president, Ronald Walker, also noted that he knew that IU’s Stephan would be an essential connection for financial and programmatic support for the initiative.

Walker developed a strategy to approach Stephan in a way that showed Stephan why the technology initiative would be beneficial to IU, as well as the BEDC. Walker explained that in order to attract potential students and faculty, IU needed Bloomington to be a vibrant community. Also, Walker demonstrated that creating more technology jobs in Bloomington would offer employment opportunities for IU students and graduates. As a result, the IU Engagement Office agreed to make a large financial contribution to the initiative.

Next, with Stephan’s help, Walker contacted the School of Informatics and Computing. The BEDC thought that having the support of the institution responsible for training many technology professionals would be crucial for the initiative. From the beginning, the Dean of the School, Robert Schnabel, was intrigued by the idea. Dean Schnabel joined the advisory board for the initiative. Currently, Kate Caldwell, the Director of Career Services for the School of Informatics and Computing, is the main IU point of communication for the BEDC and BTP. The transfer of responsibility of the partnership from the Dean’s office to the Career Services office shows that IU values the partnership chiefly for its job benefits. The School of Informatics and
Computing saw the BTP as increasing opportunities for its students to have meaningful technology internships and jobs in Bloomington.

Caldwell joined the School of Informatics and Computing Career Services team as its director a year and a half ago and sits on the BTP advisory board. The board meets every six weeks to discuss a variety of issues related to the technology sector of Bloomington. Caldwell said that she views her responsibility on the board as bringing the perspective of someone affiliated with IU. The majority of board members are Bloomington technology professionals. Therefore, Caldwell’s contributions to discussions are primarily about how to get the university and its alumni involved in the technology initiative and how to create opportunities for IU students in Bloomington’s technology sector.

The School of Informatics and Computing also provides many other benefits to the BEDC and BTP. The School distributes marketing materials about opportunities in technology from the BEDC and BTP within the Career Services department. The School and the BTP also hold a joint technology career and internship fair two times a year. The fairs are open to all students and all community members. The BEDC is responsible for coordinating the logistics of the fair and bringing in employers, and the School is responsible for marketing the event to the university and the community. Third, there is a direct link to the BTP on the School of Informatics and Computing Career Services website. The website only has two direct links (the BTP being one), which, Caldwell says, shows that the School is serious about promoting the technology partnership. However, the school may also just not have any other links to put on its website. In either case, Informatics students are made aware of the partnership.

According to Walker, in the beginning phase of the partnership, communication was one of the largest challenges because of the size of IU. With a university as large as IU, there are
many different entry points and BEDC found it difficult to determine with whom it should talk. However, after speaking with Stephan and making contact with the School of Informatics and Computing, communications greatly improved. Communication further improved in January 2014 when Katie Birge was hired full time to manage the BTP. Birge is on the BEDC payroll, but is responsible for being the bridge between the BEDC and all BTP partner organizations. Therefore, Birge is the direct contact for Caldwell and other Career Services staff. Caldwell commented that Birge speaks with someone in the Career Services office at least once a week.

To further the partnership’s goal of bringing skilled technology professionals to Bloomington, the School of Informatics and Computing has also offered BEDC the opportunity to visit school alumni events in other large cities. At the events, BEDC’s objective is to bring alumni of the School back to Bloomington by describing the vibrant technology sector that it has created in the area and the opportunities for growth.

Talent attraction is one of the largest benefits that the IU Engagement Office sees as a result of this collaborative initiative. If the technology sector in Bloomington increases and the business community as a whole is more vibrant, it will be easier for the university to attract qualified faculty to IU, and specifically, to the School of Informatics and Computing. To further support talent attraction, BEDC offers to help find jobs for spouses or significant others of the faculty and staff that IU hires. According to the School of Informatics and Computing, the greatest benefit of the partnership is the opportunities that it offers for students. At the joint career and internships fairs, many IU students have obtained internships and jobs in Bloomington during the school year and summer months.
Chapter 6: United Way of Monroe County and the IU Credit Union

Approaching the integrative level is the partnership between United Way of Monroe County and the IU Credit Union, formed in 2009 for the implementation of the Bank On Bloomington program. The Bank On initiative was created in San Francisco and was later implemented in Evansville, Indiana between United Way of Southern Indiana and Old National Bank. The objective of all Bank On programs is to ensure that everyone in a community has a bank account. The program is based on the view that having a bank account is a vital aspect of financial independence. The banks that are part of the Bank On program have to meet a series of requirements, such as charging little or no fee for the accounts. Along with the bank accounts, the Bank On program offers classes for the participants on financial stability (Financial Stability Alliance for South Central Indiana). United Way closely watched the progress of the Evansville Bank On program and in 2009 decided to create one in Bloomington.

In 2009, when United Way decided to create Bank On Bloomington, it knew that it needed the help of multiple financial institutions in Bloomington. Barry Lessow, executive director of United Way of Monroe County, met with representatives from many financial institutions in Monroe County to discuss the feasibility of the program. After these discussions, Old National Bank, Monroe Bank, Chase Bank, Fifth Third Bank, Regions Bank, and the IU Credit Union joined the Bank On Bloomington initiative.

To understand the partnership between United Way and the IU Credit Union, it is essential to look at the past relationship between the partners. Since the IU Credit Union is headquartered in Bloomington, its president and the executive director of United Way often interact at Chamber of Commerce meetings and other local events. Also, the IU Credit Union has always been a large contributor to United Way’s annual fundraising campaign. Kevin Osborne,
business development officer for the IU Credit Union, said, “We have a great relationship with United Way as a corporate supporter” (Osborne). Osborne further described the Credit Union’s annual United Way campaign as the only campaign in which the Credit Union solicits its employees for money. All other nonprofit partnerships with the Credit Union are in the form of sponsorships.

Most importantly, United Way has included the Credit Union in many discussions about financial stability in the community. Financial stability is one of United Way’s three main goals for the community (United Way of Monroe County). Similarly, Osborne stated, “Financial education and financial stability are what we strive for as a credit union” (Osborne). In trying to come up with programs to increase the financial stability of Bloomington residents, United Way frequently holds meetings with the Credit Union and other financial institutions in Bloomington. Finally, many employees of the IU Credit Union have served on the board of directors of United Way.

There is also a high degree of trust between United Way and the Credit Union. Barry Lessow, executive director of United Way, said that Bank On Bloomington was a good way to move their working relationship forward (Lessow). Likewise Osborne said that “We feel that United Way is going to be a necessary part and is a necessary part of our community, we like to align ourselves with partners like that, so we think it is a good fit” and “The tie in with Barry and United Way was natural” (Osborne).

In the initial meetings with the IU Credit Union, it was important for United Way to set out all of the benefits and risks associated with Bank On Bloomington to ensure that the partnership would be sustainable. United Way did not want to ask the Credit Union to do anything that it was not comfortable doing or did not want to do. Also, United Way wanted to
ensure that the Credit Union would not back out of the partnership after a year, as this partnership was intended to last until all community members had bank accounts. United Way leaders were completely honest about the commitment that this partnership would entail. United Way explained that the Credit Union, along with the other four financial institutions, would be responsible for all training and necessary banking resources for the program.

New customers and increased community reputation were the intended benefits for the Credit Union. Bank On accounts have to be opened for little or no fee, so the accounts usually do not produce a high profit; they most likely break even. Also, the population opening Bank On accounts typically do not have a lot to invest at first and may commit a few minor banking errors.

The amount of work required of the Credit Union is high. It has to market the accounts, train staff on how to open them, and is responsible for helping teach the community classes on financial stability. However, the reason that the Credit Union agreed to take on the responsibility of the partnership is the greater impact that it sees the Bank On program having in the community. The Credit Union’s slogan is “we started a credit union and created a community” (IU Credit Union). Therefore, it is fully engaged in maintaining a strong community.

United Way receives quarterly reports from all five participating financial institutions, compiles them and produces a report that demonstrates the community impact. The report includes how many bank accounts were opened, what the participants were able to do with the money they saved, and how many people attended the financial classes. The reports help the Credit Union understand the impact it has on the community. Therefore, reporting and evaluation of the program is a joint initiative. The Credit Union provides the number of accounts opened
and United Way reports how participants’ behavior and lifestyle change because of their increased financial stability.

United Way fosters trust in the Bank On partnership by not charging the IU Credit Union to participate in the program. In most other Bank On programs, financial institutions are required to pay small fees into the program to support program costs. United Way felt that such a model was not appropriate for Bloomington because United Way did not need the money and United Way leaders felt that fees would make it more difficult to gain commitment from the financial institutions. United Way also recognized that the banks would need to expend resources internally, including new software programs and employee training. Osborne said that the Credit Union was appreciative of United Way for that acknowledgement (Osborne).

Communication within this partnership is effective, in part due to the previously existing relationship between United Way and the Credit Union. At United Way, communication is the responsibility of the community initiatives department, which consists a department head and four other employees. However, progress reports on the partnership and program are shared with the executive director through regular meetings.

The Bank On program requires much communication within the Credit Union. The Credit Union marketing department is primarily responsible for the partnership, but like United Way, accomplishments and challenges are shared with top executives. Managers must communicate with staff about the Bank On account issues, such as how to create accounts in the Credit Union’s computer systems and how to market them to customers. However, Osborne said, the Credit Union simply added training about the Bank On accounts to the normal training that all new employees receive. Although the Credit Union did purchase a new software program that aided in tracking the Bank On program, difficulties in tracking the Bank On accounts were not
the only reason for obtaining the new software. Osborne noted, “The core system upgrade was going to happen whether we participated in Bank On or not. The data we are now able to track is more reliable than it was prior to our upgrade” (Osborne).

One communication issue that the partnership encountered was the confidentiality requirements of the banks. Ideally, United Way wanted to know details about the Bank On accounts and the people who opened them. Banks, however, are highly regulated and are limited in the information that they can disclose. United Way is not dissatisfied with the information it is receiving. Lessow commented that, “They (IU Credit Union) have really provided us with some great information, so we know the program is worth it” (Lessow). However, the Credit Union believes that it may not be doing all that it could in the way of communication. Osborne stated, “Hopefully, we have not over promised and under delivered as far as reporting, but I think we have. It has been a bigger challenge than we expected” (Osborne). The larger challenge to which Osborne refers has to do with issues in tracking the program. The Credit Union already has accounts that look very similar to the Bank On accounts. Therefore, the Credit Union had to find a way in its computer system to differentiate Bank On accounts from others for demonstrating outcomes to United Way.

It appears that the Credit Union believes that there should be a more formal evaluation process for the program, while United Way thinks that evaluation standards are producing the needed information. The lack of formal evaluation or the underreporting that Osborne refers to may just be an outcome of the highly regulated banking industry. It is likely that the Credit Union does believe that the program is working; it just does not have hard evidence to back up the assumptions about community outcomes that the program produces.
According to Lessow, a convergence of working cultures is one of the most important reasons that the Bank On partnership with the IU Credit Union has been so successful. In an interview, Lessow said that he views United Way as a bank-like entity. According to Lessow, the organization takes people’s money in and is expected to create outcomes and demonstrate a return on the donor’s investment, similar to a financial institution. However, Lessow worked in the for-profit world, which may influence his perception. It is possible that other United Way staff members, who come from more traditional nonprofit backgrounds, view United Way merely as an institution that aims to help people in community by running programs and distributing grants to member agencies.

Similarly, the governance and accountability of the IU Credit Union is like that of United Way. The Credit Union is governed by a volunteer board of directors and is accountable to its member-owners, while United Way is also governed by a board of directors but is accountable to the public. Both partners understand the importance of satisfying the board of directors and being transparent to members and the public.

United Way is very interested in looking to the future benefits of the program. While what happens this year is important to both parties, the impact that the Bank On program will have twenty to fifty years in the future is more important for United Way. United Way wants to create a community of financially stable and independent families and individuals that no longer need meal, shelter, or educational assistance. United Way also envisions a future for the Credit Union that includes a loyal base of customers that started as Bank On members. When asked about the future of the program, the Credit Union’s Osborne, however, said he sees the program “limping” along at the level it is at now, about eighteen to twenty-five customers, for the next
couple of years. Therefore, the Credit Union does not see the long-term benefits of the program as clearly as United Way.

There have also been a few other difficulties with the partnership. First, the Credit Union has not received the number of customers it had expected from the Bank On program. Currently, the Credit Union has about twenty customers in the Bank On program. Osborne said “We think the number of people we have coming through the program is manageable. We didn’t want it to be hundreds and we definitely didn’t want it to be thousands, but we thought it would be more than a couple dozen” (Osborne). However, these numbers may be due to the way that the Credit Union markets the Bank On accounts. There are Bank On brochures and flyers in the lobby of the Credit Union, but Credit Union employees do not typically discuss the Bank On accounts with customers unless the customer asks or there are challenges opening a regular account. (Osborne).

While the Bank On program may build a stronger Bloomington community with more potential banking customers, not all of those customers will necessarily become IU Credit Union members. The Credit Union may work hard to market the Bank On program, but in the end, a participant may choose to open a bank account at any of the other banks. Similarly, even if a participant opens a Bank On account with the Credit Union, after participants become financially more stable they may choose to take their money elsewhere. Due to these factors it would be expected that there would be a significant amount of competition between the participating financial institutions. While some competition has been seen, the majority of the financial institutions have said that they understand that the purpose of this program is to help the community and that they are willing to surrender their competitive nature for activities related to the Bank On program.
As the Bank on Bloomington partnership between United Way and the IU Credit Union moves forward, it is facing additional challenges due to increased banking requirements. First, financial institutions are required to do more government reporting than they were previously, which means that they may have less time to devote to the Bank On program. Second, government regulations are beginning to focus on risky bank accounts, which the Bank On accounts are because they are intended for people who have never had accounts or who have had financial troubles in the past. When financial institutions open risky bank accounts, they are looked at as riskier organizations by the government. However, the Credit Union noted that because the Bank On program involves many financial institutions in Bloomington, the risk of opening these accounts is spread across the industry. Osborne also said that the increased regulations are not enough to cause the Credit Union to end the partnership.

Moreover, United Way has taken action legislatively at the state level to advocate for public policy that is more conducive to programs such as Bank On Bloomington. The legislative action that United Way has taken is an important aspect of this partnership that is not seen in many other corporate-nonprofit partnerships. In the legislative realm, nonprofit organizations often can be more effective and persuasive on issues than for-profit organizations, because when a for-profit organization argues against certain legislation, its justification is that the legislation will hurt its business. However, when a nonprofit organization argues against legislation, its justification is social good. Therefore, legislators may respond better to the arguments of nonprofit organizations. Thus, United Way’s advocating for changing banking rules could help the financial institutions.
Chapter 7: Analysis

The three case studies suggest that the elements of successful partnerships identified in the existing research on corporate-nonprofit partnerships—strategic fit, integrative culture, intensive communication, and full understanding of the purpose, benefits, and risks associated with the partnership—are crucial to the success of the partnerships in Bloomington. However, the case studies also suggest that there are additional factors that lead some partnerships to be more successful and sustainable than others.

The Bank On Bloomington partnership represents a partially integrative partnership on Austin’s collaboration continuum. Both United Way and the IU Credit Union are committed to helping people in the community become financially stable. This mission is central to both entities.

The strategic fit between United Way and the Credit Union and the similarity of the organizations’ working cultures have been large factors in the success of the partnership. At the core of both partners’ business mission is financial stability. Therefore, the activities of the partnership are an extension of their day-to-day operations.

This partnership followed Sagawa and Segal’s suggestion of evaluating program/product quality before entering into a partnership. United Way closely watched the Bank On programs in San Francisco and Evansville before making a commitment to start a Bank On program in Bloomington. The Credit Union was also then able to look at the evidence from the already existing Bank On programs to determine if the partnership would be feasible and beneficial.

Trust within the partnership is high, in part because of the partners’ past relationship, which strengthens communication. However, both partners recognize that the partnership is becoming more challenging due to increased financial regulations. The new regulations create
issues in terms of reporting the benefits of the program. While United Way feels that the Credit Union is still producing quality reports, the Credit Union wishes that there was a more formal process and hard evidence to prove the program is effective. The issues with evaluation and reporting should be a topic for discussion as the partnership moves forward. Communication could also be increased in terms of the future of the program. While United Way wants to focus twenty to fifty years in the future, it must realize that the Credit Union is focused on the shorter-term.

While the importance of financial stability in the community is central to both organizations, United Way may value the Bank On program more than the Credit Union. United Way staff believes that the Bank On program was frequently marketed to Credit Union customers. However, the Credit Union made clear that the Bank On accounts were not discussed with customers unless there was a problem opening a normal account. This may indicate that the program is less important to the Credit Union or it may simply be the Credit Union’s way of identifying financially unstable individuals for whom the program is appropriate.

As stated previously, not much research has been done about who should be responsible for partnerships at a nonprofit and a corporation. Are partnerships important enough to organizations that they should be the responsibility of top executives? Or is more important that staff members that interact with the main clients or customers of the partnership have the majority of responsibility? If the later is true, how much support from top executives is necessary? At the Credit Union, responsibility is with the marketing department as the partnership affects how its members and the community view the organization. Because United Way creates most of the substance of the program, it needs its programming professionals on board.
One of the greatest strengths of the partnership is the legislative action that United Way has taken in support of the financial institutions it works with. Such action is not seen in many partnerships and not discussed in most literature on corporate-nonprofit partnerships. The legislative action that United Way has taken increases the trust between the partners and such action may be a further benefit for corporations in cross-sector partnerships.

The partnership between the BEDC and IU, on the other hand, is an example of a transactional partnership on Austin’s continuum. The two organizations work well together and produce a valuable community benefit. However, there is little institutionalization in the partnership. Both organizations agreed on the goal of increasing the technology sector in Bloomington and creating quality jobs for highly skilled technology professionals. However, the organizations appear to coexist in their work. Aside from the joint career fair, which looks a lot like a sponsorship, and technology job marketing, the organizations do not blend their activities.

Many of the strong aspects of corporate-nonprofit partnerships can be found in the IU-BEDC partnership. First, both IU and BEDC agree on the activities of the partnerships. They have jointly created a set of goals and objectives to make the partnership work. Second, there is frequent communication between the organizations, formal and informal. And finally, both organizations find it easy to see the benefits of the partnership to themselves, their partner organization, and the community as a whole.

Similar to the United Way and IU Credit Union partnership, an evaluation of program/product quality was done before the creation of the BTP. However, the evaluation was done on a similar BEDC program, the BLSP. The program was proven successful and therefore, the BTP was modeled on it.
Also similar to the United Way and IU Credit Union partnership, top executives at the organizations are not responsible for the majority of the partnership. At the BEDC, in the beginning, Walker did take on most of the responsibility for the partnership; however, the organization has since hired a full-time staff member, Birge, to carry out partnership operations. Similarly, the BEDC first contacted William Stephan and the Dean of the School of Informatics and Computing about the partnership. (The Dean and Stephan would be considered top executives at IU.) However, once implementation of the program began, the Career Services department within the School of Informatics and Computing assumed the majority of IU’s responsibility for the partnership.

The partnership between Hoosier Hills and Kroger takes one more step sideways on Austin’s collaboration continuum and is an example of a philanthropic partnership. The major reason that Kroger formed the partnership with Hoosier Hills was because it felt that throwing useful food away was morally wrong, and when Hoosier Hills approached the Kroger stores the partnership seemed like a good fix. However, the Hoosier Hills and Kroger partnership does have one interesting characteristic not previously addressed. Kroger performs partnership activities in a way that best serves the partnership’s constituents, hungry people. For example, Kroger now ensures that the majority of food that it donates to the Food Bank is nutritious.

Evaluating and understanding the industry that a partner organization operates in is one area that previous research does not address, although this characteristic should be included in discussions of strategic fit. As seen in the Bank On Bloomington partnership, nonprofits and corporations not only need to understand how their partner organization conducts business, but also how its industry operates. United Way and the IU Credit Union faced many unforeseen issues in their relationship because of changes in the financial industry. Neither organization
anticipated these changes, which have created additional work for both the Credit Union and United Way. The Credit Union no longer has as much time to devote to the partnership as it did before the changes occurred. United Way now has added an advocacy aspect to the partnership to try to promote regulatory changes beneficial to the Credit Union. Although neither the Credit Union nor United Way could have prevented the changes in the financial industry, a better understanding of the industry before beginning the partnership may have led to strategic plans for addressing changes that could impact the partnership.

Partners also need to determine the industry the partnership will primarily operate in, that of the nonprofit or the corporation, and make sure both partners have the necessary understanding of that industry. In the Bank On case, the program operated in the financial industry, while the Hoosier Hills and Kroger partnership operated primarily in the food bank’s world. In the IU and BEDC partnership, the work often occurred in both sectors. Understanding which industry the partnership functions in allows one partner to educate the other partner about the industry. While it is important for both partners to understand the other’s industry, it would have been very helpful in the Bank On program for the Credit Union to educate United Way about the issues in financial industry in general.

The question of who should be primarily responsible for the partnership at both the nonprofit organization and the corporation is another issue that the current research does not address. In the three case studies top executives did not hold major responsibility of the partnerships. However, those executives were included in initial meetings and kept up to date.

Therefore, a top executive’s main role in corporate-nonprofit partnerships is in relationship building. As seen in the partnership between IU and the BEDC, the executive director of BEDC, Ronald Walker, the IU Vice President of Engagement, William Stephan,
the Dean of the School of Informatics and Computing, Robert Schnabel, initiated the partnership and have since maintained a supportive role. However, the primary line of communication and responsibility in the partnership is between Kate Caldwell at the Career Services Office in the School of Informatics and Computing and Katie Birge, the BEDC staff member responsible for the BTP. Walker, Stephan, and Schnabel are frequently updated on the progress of the partnership, but are not directly involved in creating programs. Similarly, in the Bank On Bloomington partnership, Barry Lessow, executive director of United Way of Monroe County, was highly involved in the creation of the partnership, but since then the responsibility has fallen to the Community Initiatives Department. One benefit of the division of labor seen in these partnerships is that the staff members who most directly interact with program participants (Caldwell and the Community Initiatives Department) are the people creating the programs. These individuals are aware of the participants’ needs and are able to create programs to meet those needs. Top executives such as Lessow or Schnabel would probably not create programs as sensitive to the participants’ needs because they do not interact with the participants on a daily basis.

The case studies also show that on the corporate side of the partnership, responsibility usually lies within the marketing or public relations department. This is likely because corporations see that partnerships impact their image and reputation, which falls within marketing and public relations departments’ responsibilities.

In their research, Austin, Segal and Sagawa, and Thompson stress the importance of converging working cultures and business missions in the success of corporate-nonprofit partnerships. However, the case studies, particularly the Bank On partnership, demonstrate that converging cultures and missions may not be as necessary as Austin, Sagawa and Segal, and
Thompson seem to suggest. The authors argue that many of partnership issues can be resolved if both partners view the partnership in the same way and if they create a strong working environment. However, even if both partners understand how the other organization operates and agree completely on what the partnership is to do, there may still be unforeseen problems. United Way and the IU Credit Union are both concerned with community financial stability and in many ways operate similarly. However, these similarities were not enough to anticipate and overcome the difficulties in tracking the program’s impact caused by the changes in the financial industry.

While previous research suggests that partners agree on the benefits of the partnership, the Bloomington case studies indicate that partnerships may be successful even when partners view the benefits differently. Austin wrote that if both partners do not agree on the benefits of a partnership, they must understand where the differences lie and find a way to come to agreement. However, the IU and BEDC partnership, in particular, shows that partnerships can be successful if the partners see different benefits resulting from the partnership. However, Austin likely is correct that partnerships will not reach full integration if there is not an agreement on the benefits. In the partnership between IU and the BEDC, IU sees jobs and internships for students as the primary benefits of the partnership, while the BEDC sees a more vibrant Bloomington community because of the increased technology-sector as the primary benefit. These partners have created a successful transactional partnership that is sustainable. However, the partnership will probably never become institutionalized or reach full integration since the partners have different goals and get different benefits from the partnership.

The Bank On Bloomington partnership shows that a partnership may be successful even when one partner is focused on long-range benefits while the other is focused on the near-term. One partner may be driven to pursue a partnership because of the community benefits it sees
occurring far in the future, while the other may be focused on the near-term benefits a partnership provides its business or the community. In the Bank On partnership, United Way is focused on how the program will increase financial stability in the community and create a vibrant community that will attract people and businesses in the future. United Way envisions a community where all community members are financially independent and do not need its assistance. On the other hand, the IU Credit Union sees increased customers that the program brings and the help it provides to new customers as the benefits. Osborne, from the Credit Union, said that he does not look too far into the future with the partnership. He cannot see how the Bank On program is going to attract more people to Bloomington, even though he agrees that financial stability in the community will increase. The Bank On partnership shows that partnerships that operate smoothly in many areas still run into conflicts. However, the work that both the Credit Union and United Way put into resolving the conflicts is further evidence that they have created a partially integrated partnership.

As the prior research suggests, strategic fit, intensive communication, and open discussion of all risks and benefits are crucial to the success of corporate-nonprofit partnerships. But understanding the specific industry in which the partnership operates and determining who should be responsible for the partnership are also important. Conversely, the importance of convergent business missions, working cultures, and agreement on the partnership benefits may not be as important as previous research suggests.

**Chapter 8: Conclusion and Further Research**

The findings from this research expand previous research completed on corporate-nonprofit collaborations. This paper focuses on how corporate-nonprofit partnerships are implemented in a small, close-knit community, Bloomington, Indiana, and identifies the factors
that may lead to successful partnerships. However, further research must be done to address additional questions, such as how partnerships differ for different subsectors of both the nonprofit sector and the business sector, whether local ownership of an organization or corporation versus national ownership impacts a partnership, and how nonprofits that address controversial causes that most businesses are uncomfortable supporting find corporate partners.

While the preceding research examines different parts of the nonprofit sector (food assistance, economic development, and general community assistance) and several industries (financial institutions, universities, and grocers), it does not cover all possible corporate-nonprofit partnerships. For example, the research does not study how health organizations, such as large nonprofit hospitals, can create meaningful corporate partnerships. The research also does not discuss how to implement partnerships that include international corporations and/or international nonprofits. There may be different factors for success in partnerships that provide benefits in countries other than the one in which the corporation or nonprofit primarily operates.

Further research should also look at how ownership affects partnerships. In the Bank On Bloomington partnership, the IU Credit Union is owned locally. However, other financial institutions in the partnership, such as Chase Bank and Old National Bank, are part of large, national networks. In the partnership between Kroger and Hoosier Hills, Kroger is a large, publicly traded corporation with headquarters in Cincinnati, Ohio. However, Hoosier Hills works with regional representatives in Kroger’s Indianapolis office. Therefore, the business side of the partnership has been localized.

A final area for further research concerns how nonprofits that address controversial issues can attract corporate partners. Community assistance, economic development, and food issues
are all popular topics for corporations to support. Corporate executives can be relatively certain than their stakeholders will agree with support of these issues.

However, issues such as domestic violence do not have as much open, public support. Communities and corporations might agree that it is important for nonprofit organizations to address domestic violence and help its victims. However, many corporations may feel uncomfortable being linked in a very public way with an organization dealing with this cause. Domestic violence is a topic that many people and corporations just do not want to think or talk about because of the feelings of anger and sadness that it evokes. One domestic violence shelter in Bloomington, Middle Way House, has struggled to attract corporate partners. Middle Way House has many strong, consistent financial supporters, but rarely has corporate partners for specific programs. In 2002, Middle Way House tried to create its own business, a catering company called Food Works, to employee its clients. However, in 2011, Middle Way sold Food Works to a local grocer because the business grew too large for Middle Way House to manage (Food Works). What Middle Way House actually needed was either a corporate partner that would employ its clients or a corporate partner to help it run the business internally.

However, little research has been done to determine how to overcome the challenges associated with controversial and stigmatized causes in partnerships. Are there ways that nonprofits and corporations can create these partnerships without fearing the negative stigma associated with certain causes? Other types of organizations that may have difficulties attracting corporate partners are substance-abuse organizations and homeless shelters.

While corporate-nonprofit partnerships are not a new concept, recently corporations and nonprofits alike have been in search of best practices and evaluation methods for cross-sector
collaborations. The research is far from complete. There are still many questions to answer in order to create meaningful partnerships that benefit nonprofit organizations and corporations. As most research suggests, one of the greatest benefits of corporate-nonprofit partnerships is the mutual benefit shared among partners. The collaborations are a step forward from typical charitable donations and sponsorship programs. Corporate-nonprofit partnerships have the ability to enhance business operations of both nonprofit organizations and corporations and to enhance the community in which the organizations operate.

The future of corporate-nonprofit collaborations will consist of partnerships developed to create shared value. Shared value is a term frequently discussed in the work of Michael Porter and Mark Kramer in the Harvard Business Review. Shared value refers to partnerships that are central to both a nonprofit and a corporation and that create large mutual benefits. In these partnerships the two organizations enhance their partner’s organization and create programs that build on the partners’ values, missions, and strategies. Porter and Kramer state,

“...it will require leaders and mangers to develop new skills and knowledge –such as a far deeper appreciation of societal needs, a greater understanding of the true bases of company productivity, and the ability to collaborate across profit/nonprofit boundaries. And government must learn how to regulate in ways that enable shared value rather than work against it.” (Porter and Kramer)

Finally, Porter and Kramer emphasize that for corporations to create integrative collaborations that create shared value they must throw away the long held belief that helping society will result in decreased economic success.
Appendix: Case Study Questions

1. Who initiated the partnership?
2. What are the goals of the partnership?
   a. Did you create the goals of the partnership? (or joint discussion)
3. How did you choose to form a partnership with the organization you chose?
4. Did you evaluate multiple different organizations before ultimately choosing one to partner with?
5. What do you look for in an organization that you plan to create a partnership with?
6. What did/do you use to measure success/evaluate the partnership?
   a. Did you feel like your organization was highly evaluated by the other party?
7. What was/is the timeline for the partnership?
   a. Was this timeline imposed on you or created by you?
8. Did you know the leaders of the organization that you partnered with before the partnership?
   a. What was your opinion of them?
   b. What was their opinion of you?
9. How did you initially connect to your partner organization/how were you contacted?
10. How often did/do you communicate with the other partner?
11. How many points of communication (how many people) existed between the organizations?
    a. What were these people’s positions?
12. Were there any financial incentives for either party in the partnership?
    a. Did you feel forced into a financial incentive?
13. Did you notice any changes in your organization that can be attributed to the partnership?
    a. Did you perform in a more professional manner?
    b. Are your employees more service oriented?
14. What value do you believe you added to your partner organization?
15. What was the greatest aspect of the partnership process?
16. How did/do the cultures of the two parties compare?
    a. What is your view on time management?
    b. What is their view on time management?
17. How financially stable would you say your organization was when the partnership started?
18. If you initiated the partnership, what research did you do about the other party before contacting them?
    a. What was your first impression?
19. Was it important for you to find a partner whose business related to your operations? Why?
20. What did/do you want to get out of the partnerships and what were/are you willing to give to the other party?
21. What went wrong?
   a. Did you ever feel that the corporation acted as the authority figure?
Bibliography


http://ehis.ebscohost.com/eds/delivery?sid=a09d19c3-973f-41d1-afa6-2e0d0b34baac%40sessionmgr115&vid=3&hid=109


http://books.google.com/books?hl=en&lr=&id=7n8dPi2ew9YC&oi=fnd&pg=PA180&dq=nonprofit-corporate+partnerships&ots=1zpRovl0ZI&sig=XH2M0PMWd1jHTvw1Bhmwyag3Bk#v=onepage&q=nonprofit-corporate%20partnerships&f=false


Lessow, Barry. Executive Director, United Way of Monroe County. Personal Interview. 30 Jan. 2014.


Osborne, Kevin. Business Development Officer, IU Credit Union. Personal Interview. 21 Feb. 2014.


