



BEST PRACTICES IN CORPORATE COMMUNITY RELATIONS

OVERVIEW

I. Current Business Trends are Re-shaping the Face of Community Relations:

- A.** As a result of corporate downsizings from mergers and acquisitions and the infusion of new technologies into business practices, as well as an increased level of competition both domestically and abroad, companies are being forced to re-examine the way they do business, including how they conduct community relations.
- B.** With fewer resources at their disposal, both in monetary and human capital means, companies are going to have to learn to incorporate:

Strategic Philanthropy -- an approach to corporate citizenship efforts that explicitly takes into account both community concerns and the company's short- and long-term business efforts; and

Social Investing -- the development of a portfolio of social/community investments that provide a positive return.

II. The Best Community Relations Programs Are:

- A. *Holistic-in-Nature*** -- they look at social problems from a "big-picture" point-of-view and address community needs from all angles;
- B. *Bottom-line Oriented*** -- every aspect of community involvement some how ties into one or more of its overall business strategies, goals, values or objectives; and
- C. *Incorporate Value-Added Practices*** -- besides simply giving in terms of cash awards, best practice companies incorporate other functions in their community relations.

1. Current trends show best practice companies approach community relations in a more entrepreneurial spirit.
2. In particular, the following points are reflective in the most successful community relations programs and initiatives:
 - *They embrace community relations and corporate philanthropy as a value, not just a policy or practice.*
 - *Effective programs intersect employee values, business interests and community needs in the planning and developmental stages.*
 - *They make greater use of creative funding possibilities, rather than generic cash donations.*
 - *And, successful community relations initiatives should monitor and measure results, either qualitatively or quantitatively.*

III. Best Practice Companies Approach the Planning, Organizational and Communications Processes in a Strategic Manner:

A. Planning Process

1. Best practice companies intersect community needs, with employee values and business interests.
2. Best practice companies take into consideration and “listen to” all key audiences when planning and developing community relations initiatives (i.e., employees, management, shareholders, community members and their leaders, government officials, the media, potential investors and customers).
3. Best practice companies conduct research (i.e., through surveys, focus groups and the examination of raw data -- sociographics, psychographics and demographics) and benchmark against other current corporate community relations practices.

B. Organization

1. Best practice companies allocate specific professional staff and resources for various initiatives.
2. Best practice companies develop or adopt broad, nationally-sponsored philanthropic goals and community relations initiatives, and empower, encourage and promote regional or local offices to adapt those initiatives in a creative manner, so as to address specific societal problems and issues within communities where the company operates.
3. Best practice companies also incorporate value-added practices in community relations when addressing societal problems (i.e., volunteerism; strategic partnerships; cause-related marketing and sponsorships; and in-kind, facilitated and matched-giving donations).

C. Communications

Internally . . .

- CEOs, presidents and prominent board members provide both the leadership and motivation necessary to the success of community relations initiatives, such as volunteer programs, by serving as a company's official spokespersons at the national level.
- Best practice companies, in turn, will utilize local and regional managers to spearhead localized campaigns.
- Best practice companies keep their employees informed and energized by utilizing multiple mediums: newsletters, e-mail, electronic and physical bulletin boards, intranet postings, as well as employee-based, community relations-oriented focus or planning groups.

Externally . . .

- Best practice companies realize and value the fact that all their members, employees and managers alike, serve as "goodwill ambassadors" when involved in community relations; both groups equally convey the message to the community as a good corporate citizen through their involvement with the public.
- Best practice companies realize and understand the benefits informing the public of the "good deeds they do" has on their image as a good corporate citizen. Best practice companies, therefore, utilize a myriad mediums to broadcast their image as being a good corporate citizen: community newsletters, annual reports, press releases, tie-ins with public service announcements, advertising, public speaking and the Internet.

Indirectly . . .

- Best practice companies communicate their image as a good corporate citizen, indirectly, through such value-added activities as cause-related marketing and sponsorship of community events (i.e., art exhibits).
- Best practice companies, by working with nonprofits and other businesses through strategic partnerships or alliances, also indirectly communicate to others that they are a good corporate citizen.

IV. Key Components of Best Practice Companies' Community Relations Initiatives and Strategic Philanthropy Programs:

A. Volunteerism: has quickly become the focal-point of most corporate community relations programs. As such:

- Best practice companies have in place a formal volunteer program (i.e., guidelines, mission statement, list of viable options and organizations, etc.)
- Although most companies sponsor a company-wide volunteer day, best practice companies look towards and support their employees to initiate programs on their own at the regional and local levels.
- Best practice companies encourage and support volunteerism through incentives and awards through such activities as providing matching funds, in-kind donations, allowing time-off from work and by hosting award ceremonies or banquets.
- Best practice companies encourage both employees and management to volunteer by sitting on boards of nonprofits, churches, schools other service- or civic-oriented organizations.

B. Corporate Giving/Philanthropy:

- As already mentioned, best practice companies approach this concept in a more strategic matter, ensuring that the goals and objectives of funded programs are directly related to the overall business strategies, goals, values and/or objectives of the company.
- Best practice companies, aside from cash contributions, incorporate matched giving, facilitated giving, in-kind giving, as well as grants and scholarships and product donations in their corporate giving/philanthropic activities.
- Finally, best practice companies create a cushion or some type of mechanism for "smoothing" the amount of giving in years with poor earnings.

D. Cause-related Marketing, Sponsorships and Other Non-traditional, Value-added Approaches to Community Relations:

- Cause-related marketing and sponsorships are the two "newest" forms of social investment being utilized by best practice companies and corporations. Although they may do very little in terms of directly aiding and alleviating societal ills, they typically raise a considerable amount of money and awareness for various causes in a short period of time, while simultaneously boosting a company's image as a good corporate citizen.
- **Sponsorships** -- funds spent promoting popular public activities (i.e., sports events, art exhibits, etc.) to which the company's image is associated.
- **Cause-related Marketing** -- the activity of supporting worthy causes or events with name recognition, as well as a variety of monetary and in-kind donations, which is not part of the company's marketing or advertising strategy.

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