



2007 CECP CORPORATE PHILANTHROPY SUMMIT TAKEAWAYS

Tuesday, 9:15 AM

HAROLD MCGRAW III - Shaping the Future

Chairman, President and CEO, The McGraw-Hill Companies and Chairman, CECP

Key Takeaways:

- You, as corporate giving professionals, play the most important role as we enter a new era of corporate philanthropy. You can help reposition your programs to be essential elements to your company's corporate responsibility efforts and, ultimately, to your company's vitality.
- As globalization continues to connect communities, and emerging markets continue with their rapid growth, our stakeholders are growing in number and diversity. Thus we must take advantage of the opportunity for building loyal supporters through strategic philanthropy.
- Corporate giving has moved from 'checkbook philanthropy' to 'holistic philanthropy' which allows for employers to work together, involves better use of corporate resources, and encourages more employee engagement.
- The business community needs to speak up on social issues and play a more public, vocal role with its philanthropy initiatives. There is a sense of urgency on many social issues, and it is exciting to see companies step up and assume leadership.

Tuesday, 9:30 AM

JEFFREY D. SACHS - Collaboration to Achieve the Millennium Development Goals

Director of The Earth Institute, Columbia University and Special Advisor to UN Secretary-General Ban Ki-Moon

"After understanding your goals and the communities your company touches, lead with your technologies and your know-how. This could be the most powerful of all philanthropic things you can do."

Key Takeaways:

- Most companies are not familiar with the Millennium Development Goals (MDGs) and yet have the opportunity, through their philanthropic programs, to work with the U.N. on these initiatives to eradicate poverty by 2015. The MDGs are specific metrics that capture efforts like reducing mortality by two-thirds or reducing hunger by half. The MDGs should play a major role for companies organizing their international public policy.
- Poverty is often at its worst in regions where there is little/no multi-national corporate presence. Therefore, giving officers should consider ways in which their companies can



individually and collectively assume the global leadership and become goodwill ambassadors in the fight against disease and poverty.

- By leveraging technology and corporate resources beyond the dollar, and cooperating with one another, corporate philanthropists can help provide livelihood for some of the poorest communities in the world. Companies are encouraged to add their individual expertise, knowledge, and assets to address the overall puzzle of social betterment.

Tuesday, 10:30 AM

MARGARET M. COADY - A First Look at 2006 Corporate Giving

CGS Program Manager, Committee Encouraging Corporate Philanthropy

Key Takeaways:

- As a group, companies reported higher total giving in 2006 than in 2005, with the typical company seeing a 4.7% increase. Given the beyond-budget spending of 2005 for disaster relief, this rise in total giving may be counter-intuitive.
- Individual companies tell a different story on year-over-year giving: 56% increased their giving while 44% decreased giving from 2005 to 2006. In many cases, the increases and decreases were very significant, with changes in spending of more than 30%.
- For those that decreased giving, the greatest decline was in non-cash giving (down 26.8%). For those experiencing an increase, direct cash increased most (up 9.9%).
- The Corporate Giving Standard continues to gain traction, with 24 new companies in 2006 and 44 of the Fortune 100 providing data. Companies that have submitted 2006 data have access to this online benchmarking tool throughout the year and can use the tool to “tell the story” of their giving within the context of larger trends.

Tuesday, 11:15 AM

GROWING TO SCALE IN THE DEVELOPING WORLD: LESSONS FROM MICROFINANCE


— Sam Daley-Harris, *Director, Microcredit Summit Campaign*

— David Gough, *Vice President, Deutsche Bank Microfinance Funds*

Key Takeaways:

- Start small - the theory and practice of microfinance allows organizations to fund small-scale merchants and entrepreneurs. Ultimately, the ambitions for institutions like Deutsche Bank are to bring this model to scale and impact large populations, one community at a time.



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- Microfinance is part of double bottom line investing. When you create a cash stream, you help facilitate growth for the individuals and small organizations that have access to the small loans.
 - Multi-national companies have the opportunity to provide value to local populations by supporting established microfinance organizations, absorbing much of the risk, while achieving ROI for investors.

Tuesday, 1:05 PM

MARILYN CARLSON NELSON - Hometown Giving and Local Influence

Chairman and CEO, Carlson

CECP Director

*"Whatever you do, do it with integrity. Whatever you do, do it as a leader.
Whatever you do, never give up."*

Key Takeaways:

- CEOs can and should encourage each other to create giving cultures at their respective companies. The Minnesota Keystone Program consists of members who allocate at least two percent of their companies' pre-tax profits each year for philanthropy, a group that is actively growing.
- Companies should support causes that tie closely to the unique qualities of their brand. This is the only way to achieve authentic giving programs which will resonate with both employees and other stakeholders.
- First consider local, hometown programs where the company operates, then focus on extending strategic giving to causes globally, ultimately influencing policy and opening free markets for your business.

Tuesday, 1:45 PM

KELLIE A. MCELHANEY - Volunteerism Trends and Corporate Strategy

Executive Director, Center for Responsible Business, Haas School of Business

Key Takeaways:

- Build relationships with suppliers and distributors. Corporate philanthropy presents the opportunity to engage consumers, and to reach out to suppliers, distributors, and other business partners for philanthropic branding and communication.

- Gain senior leadership support and buy-in. Share competitor strategies and plans with your CEO. Select two great examples of competitor programs to showcase - that tends to wake them up!
- Engage employees at myriad levels within the organization. In order to attract, retain, and engage Generation Y, Millennials, Baby Boomers, as well as retirees, corporate volunteerism presents a strategic HR opportunity for organizations. Employees are our best communicators and brand advocates and younger generations are paying closer attention to volunteerism programs – this is an important recruiting differentiator.
- Consumer expectations are on the rise and the perception of corporate performance is on the decline. By creating a strong volunteerism program that goes beyond a single-day event and really ties the corporate brand to a specific cause, companies can work to bridge this gap.

Tuesday, 3:00 PM

MODELS OF IMPACT MEASUREMENT

- Michelle DiSabato, *Manager, Corporate Affairs, Altria Group (Moderator)*
- Farron W. Levy, *Founder & CEO, True Impact*
- Michelle Dow, *Director, The Corporate Citizenship Company USA*
- Jason A. Saul, *Founder & Managing Director, Mission Measurement*

Key Takeaways:

- Impact measurement is still in the process of development, and each of the companies presenting at CECP's Summit utilize very different models for calculating the value of corporate philanthropy.
- True Impact: Through an ROI Scorecard, True Impact helps companies measure the bottom line outcomes for both business and social objectives.
- London Benchmarking Group/The Corporate Citizenship Company: LBG focuses on specifically measuring the social impact of philanthropic initiatives using a matrix that measures tangible inputs and outputs.
- Mission Measurement: Mission Measurement encourages customers to consider measurement as an integral piece of the management process; using an Excel dashboard to track progress, Mission Measurement aims to capture the process and outputs of simple metrics.





Wednesday, 9:30 AM

JAMES E. AUSTIN - Strategic Alliances between Nonprofits and Business

Eliot I. Snider and Family Professor Emeritus, Harvard Business School

"Philanthropy is no longer a periphery operation, no longer a nice thing to do. It is increasingly an imperative strategy that is central to business. That will be the mindset for this century."

Key Takeaways:

- It is imperative that we combine resources, across companies and sectors, to reach critical mass and deal holistically with tenacious societal problems.
- Collaborations fall along a continuum of strategic partnerships, starting with basic philanthropy to transactional relationships to integrative partnerships that combine missions and really hit the partners' sweet spots. Companies should consider creating a mixed portfolio of different kinds of relationships with their nonprofit partners.
- Alliances are all about creating value. Partnerships between nonprofits and corporations should be generating both higher social and economic value. For companies, there is value in all aspects of the business, including in the relationships with each stakeholder group.
- It is essential that the value be a two-way flow. The partnership has to be seen as a fair, equitable exchange for each side.

Wednesday, 10:45 AM

GIVING ON A GLOBAL SCALE


— Gregory Elphinston, *Director, Community Involvement, Nokia Corporation*

— Robert N. Miller, *Director, Corporate Citizenship/Global Contributions, The Dow Chemical Company*

— Daniel F. Runde, *Head of Strategic Partnerships, International Finance Corporation, The World Bank*

Key Takeaways:

- Allow 5-10 years with international philanthropic investments to give enough time for building the necessary relationships, alliances, and partnerships that will be critical to the success of your efforts.
- Because philanthropy is critical to your long-term corporate strategy, it is important to involve C-suite executives. Invite your CEO to chair your philanthropy board to help integrate philanthropy fully into your business.

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- Invest in regions where you want to build markets, and be willing to take risks that may not provide a direct return quickly, if at all. This might include providing services for free that competitors can utilize, that ultimately will open the market for competition.
 - A major struggle in working in under-developed regions is the lack of infrastructure. It is critical to partner with local and national governments, along with NGOs, to ensure that your program is supported with basic infrastructure. Bring your expertise to the table, but partner with others to tackle other obstacles.
 - Government agencies (USAID, IMF, World Bank, UN) are already working in most areas of the world. These organizations have built key relationships with local NGOs and governments and they can provide the corporate sector with an easy access point into a country/region.

Wednesday, 12:45 PM

LAWRENCE K. FISH - Integrating Philanthropy into the Business & Getting Your CEO's Attention

Chairman, RBS America and Chairman, Citizens Financial Group

CECP Director

“Our brand at Citizens Bank has been profoundly enhanced by our commitment to our community.”

Key Takeaways:

- Be very careful about language. Corporate philanthropy should be viewed as community investment. CEOs and other executive stakeholders will not understand the value of ‘charity’ and ‘giving’ but will understand the relevance of ‘employee and social investment’.
- When communicating with your CEO, start with strategy. Strategic investments are ones that are measurable, have distinct goals with clear outcomes. When you make philanthropy strategically legitimate and transparent, it withstands all external pressures and your executive team will be more likely to understand why it is important.
- A strong, decent, caring brand that invests in its community is intrinsically good for business.
- Employee morale is essential for the success of an organization. The most important job for a CEO is to ensure that the people who work for the company are proud of the place they work. Philanthropic programs are one important way of strengthening employee pride and loyalty.





Wednesday, 1:30 PM

NANCY MAHON - Cause Branding: Balancing Impact and Reputation

Executive Director, MAC AIDS Fund and Vice President, MAC Cosmetics

Key Takeaways:

- There is a growing trend of consumers willing to pay more for a product that will do some good in the world.
- Companies should consider taking a long-term approach to grantmaking, investing large sums of money in phases to the same organizations over a period of time. This allows for less administration and more opportunity for impact measurement.
- There needs to be more transparency in corporate giving because the public must clearly understand where the money is going (for example, quantify a statement like “a portion of the net proceeds”).
- Philanthropy helps MAC differentiate its brand not only with consumers but also with its employees, significantly impacting the company's rate of employee turnover.

Wednesday, 2:30 PM

LENNY MENDONCA - Bridging Business Strategy and Consumer Expectations

Chairman, McKinsey Global Institute

"Philanthropy is not a sidelight issue that you delegate to someone and just check in on every year. This is essential to the economic value of your institution."

Key Takeaways:

- Bridging the communication gap between business leaders and the public is crucial to the successful longevity and viability of a business. Philanthropy can be positioned as this bridge.
- Consumers believe that executives have as much responsibility for social issues and the broader public good as the government. However, consumers do not typically trust large corporations as invested in their well-being.
- Businesses can no longer approach philanthropy as small, short-term initiatives. This is a long-term issue, and there is a serious challenge for leadership development around corporate social responsibility and philanthropy. Companies that do not proactively engage in socially responsible and philanthropic endeavors are putting themselves at risk.