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Title: Mutually beneficial partnerships between business and non-profit organizations– the example of What's Up

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Abstract:

What's Up is a new, free, national telephone counselling service for children and young people launched in September 2001 by The Kids Help Foundation Trust, a registered charity. The service has been immensely popular with New Zealand's population of 5 to 18 year olds, with over 250,000 calls being received by What's Up in its first twelve months of operation. The Kids Help Foundation Trust is unusual among New Zealand non-profit organizations in being underpinned financially by four major corporate sponsors. These sponsorship relationships are characterized by the congruence of the needs of the for-profit and non-profit organisations and the many non-financial benefits to both. This paper outlines What's Up, speculates on forces that may be bringing for-profit and not-for-profit businesses together, and describes the achievements of the service to date with reference to the pivotal role that the sponsorship relationships have played in achieving high levels of access by the intended recipients of the service.

Introduction:

The Kids Help Foundation Trust (KHF) is a registered charity that was set up in 1999 to provide a new professional telephone counselling service for 5 to 18 year olds. The service was launched in September 2001 under the name "What's Up" – a name that came from extensive market research with the target age group during the initial scoping study.

At a conference such as this, it is easy to stay rather "product focussed" as my marketing associates would say. That is, in thinking about "joining up", we could spend our time talking just about the people and organisations involved in service delivery to children and families. I think it is worthwhile, perhaps even important, to broaden the way we think about joining together for the benefit of children and I am going to present our experience through What's Up of elements of the community not usually associated with the care of children joining together to, I believe, great effect.

I have a personal ideology that children are the responsibility of all adults in their communities – that all adults watch out for and watch over all children they come across, in whatever way presents itself from moment to moment.

Perhaps this is influenced by my rural childhood, where everyone in the community knew one another. As a child I was always mindful of the presence of watchful adults who knew who I was and what I ought to be doing and where I ought to be.

I am not saying that I particularly enjoyed this environment, which I often experienced as unduly intrusive. Nor am I saying that all the adults in my community were trustworthy, reliable and had the best interests of myself and my peers at heart. But it did make me aware of the potential for a caring community for children.

It is harder in small populations for children to become alienated from the adults around them, and I appreciate that this is a bit of a leap, but I think the underlying principles can be scaled up to larger populations if adults value children, care about them, and recognise that everyone can contribute to the care of children in both general and specific ways.

A few examples:

- As a parent, I can do all the things open to parents for my own kids.
- As a neighbour, I can keep an eye out for the kids crossing my driveway on their skateboards as I back my car on to the road, even if I don't know their names.
- As a shop owner, I could refuse to sell the tweenies cigarettes, even when they produce their fake IDs.
- As a psychologist, I have been able to help them be understood and show them respect and belief in their worth as individuals.

It doesn't really matter in the end what each adult does that is child-centred, so long as we all do what is within our capabilities when the opportunity arises.

Our organisation has built partnerships to benefit children that extend beyond the usual limits of neighbourhood boundaries, personal affiliations and children's services. I think these partnerships are very interesting in what they suggest for the future of how we might join together so that kids get what they need.

I must express the caveat that much of my paper is the opinion of someone with practical experience and vital interest in these issues, but I am not an economist, an historian, nor a professional public policy analyst and I am confident that my opinions are very roughly formed indeed.

The What's Up Telephone Counselling Service:

What's Up is available to all 5 to 18 year olds between noon and midnight, seven days a week on an 0800 number that is free to call from any telephone, including mobiles.

We allow callers to speak to the same counsellor again, enabling the development of advanced counselling relationships with certain cases guided by detailed case management plans.

Many of the calls received are mischievous or abusive in nature, but all callers are treated with respect irrespective of their presentation in order to encourage eventual constructive engagement with the service.

The purposes of KHF are:

- to increase the access of all 5 to 18 year olds to support, care and advice from adults,
- to improve the understanding of the issues and problems affecting children in NZ, and
- to increase the level of consideration given throughout NZ to children's problems and needs.

Non-identifying information is collected on all calls received and collated and analysed to provide a large resource of information on the issues faced by children in NZ, as seen by the children themselves.

All of KHF's activities are guided by the following values:

- child-centred practice,
- professionalism,
- that children need and have a right to care and support from adults, and
- cultural justice.

Unlike many non-profit organisations, KHF is highly professionalised with a clear policy of all staff involved in service provision being paid employees. We believe this helps ensure professionalism in counselling practice, accountability, and consistency. What's Up is benchmarked with the operating policies and standards of Kids Help Line, a similar service that has a well established track record in Australia since 1991.

The service has been immensely popular with the target age group. To the end of May this year, over 373,000 calls have been received. We have answered over 193,000 of these.

Changes In The Types Of Organisations Responsible for Service Delivery

The economic reforms of the 1980s and early 1990s took NZ along a path from the government being a provider of social services and an employer of social service providers towards the position where the government funds social services and purchases services from providers.

This reallocation of work previously done by government departments to quasi-non-government and non-government organisations seems to have progressed to the point where much of this work is now done by non-profit organisations entirely within the private sector.

In her 2001 paper for the Ministry of Social Development, Carla Wilson wrote, “Governments have withdrawn from direct social service provision, with voluntary sector organisations contracted in to fill the gap. This has resulted in a build-up of expectations, demands and pressures . . . It is evident that [those] involved in service delivery and those serving on management committees have experienced an increase in their workload and level of responsibility.”¹

Although it has always been the role of non-profit organisations (NPOs) to fill perceived gaps in services provided by the state, the gaps needing to be filled have become very large and central to the services required by the population, rather than relatively peripheral. It may not be an entirely apt comparison, but the distinction between obligatory and elective surgery comes to mind.

Also, as our understanding of social services and needs has increased – for example, established knowledge of the life-long impact of early traumatic experiences and the development of researched-based best practice guidelines for the treatment of trauma – the task of adequately discharging the responsibilities that come with filling these gaps has become great.

NPOs are now faced with delivering services that are well beyond the capabilities of volunteer workers who can not be expected to make the commitment to the levels of training and responsibility required.

These pressures towards professionalism of NPO services have changed the nature of what is sometimes called the “voluntary sector”. Once a hundred thousand dollars may have been sufficient annual budget for an NPO to employ someone to run the office and support the work of a host of volunteers. Now it is unlikely to cover the liability insurances, legal and accounting fees, and wages of workers qualified to deliver services with professionalism and accountability.

Fundraising used to involve cake stalls, collecting tea coupons, and spending thousands of person-hours knocking on doors for a few coins. Now 20% of the population holds 50% of the wealth and we have politicians punching it out in the ring in front of a hall full of diners who have paid hundreds each for the privilege.

Voluntary work is important in many ways to our communities, but it seems to me that as charitable trusts, foundations, societies, etc take on increasingly large levels of responsibility for social services that are central to the well-being of individuals and groups, this sector of the economy will become less and less voluntary and more and more hungry for money.

Changes In Business Attitudes Towards Communities

Down the road in the for-profit sector of the economy, something else is happening that is also very interesting to me.

In the past, many business leaders have maintained that business responsibility should focus on returns to shareholders and contribute to society solely by creating an energetic and wealthy business sector. Some still do.

Political and community leaders have been urging the business sector to be more sensitive to the impact of business decisions on the communities within which they operate, and some are coming around and joining this movement.

Concepts such as the “triple bottom line” and “business social responsibility” are being offered as the future of business, such as this statement from BP New Zealand:

BP New Zealand today released its first triple bottom line report, which simultaneously measures the company's environmental, social and financial performance in New Zealand.

“We acknowledge that, like all business, our operations have an impact on the local environment and on society. This report reflects our commitment to fully understanding those impacts so that they can be reduced and managed as much as possible,” said BP Managing Director Peter Griffiths. Mr Griffiths said he was proud of the initiatives BP was pursuing in New Zealand including . . . community sponsorship programmes.

“The triple bottom line approach makes good business sense. Superior social and environmental performance underpins healthy financial performance and creates new business opportunities. It also helps build lasting and valuable relationships with our staff, our customers and the wider community,” said Mr Griffiths.²

This is driven by several lines of reasoning.

One is that business is ultimately dependent for its profitability on the well-being of the community within which it operates. This applies even to multi-nationals, who have people throughout the world as their communities. This seems to me to be little different from the realisation in the agricultural economy that good soil management is essential to the ultimate sustainability of the productivity of a farm.

Another line of reasoning is that good customer relations are good for profits. There is good market research throughout western economies that indicates that consumers prefer brands associated with good causes in the community. Particularly in areas of business where it is difficult to make products or services seem different from and superior to those of competitors, a strong public alliance with a popular cause may help a business to stand out in a favourable way.

Locally, the market research company AC Nielsen report that 94% of NZ consumers think it is a good idea for companies to support charities and 59% believe this should be standard business practice. 74% say they would be prepared to change their normal brand for a competitor that supported a worthy cause.

Congruence of Needs Lead to Converging Paths

Although NPOs and for-profit businesses are following their own agendas in pursuing these paths, I see their trajectories as being convergent and naturally complementary. Each is seeking what the other has in abundance.

If I may put my psychologist's hat back on for a moment, I am reminded of a theory of interpersonal attraction. This proposes that we are attracted to someone by the belief that he or she possesses characteristics that are deficient within ourselves. By making this other person an integral part of one's life, one can benefit from his or her strengths.

Of course, we all know that attraction and desire do not guarantee a good relationship and our culture is full of cautionary tales of going to bed with a lover and waking with a monster. Businesses and NPOs have much to learn about how to get along well. They face the same challenges as two new lovers with discovering one another's foibles, negotiating expectations and learning to communicate effectively.

The Example Of What's Up

What's Up was established with what can only be described as a leap of faith by our four major corporate sponsors – Progressive Enterprises Limited (Woolworths and Foodtown), Griffin's Foods Limited, Kellogg Australia Pty Ltd, and New Zealand Dairy Foods Limited (Anchor). They pledged support for a service that did not yet exist and without gaining control of it - "buying off the plans" without even a deed of title to show for it at the end.

It is probably no coincidence that three were local branches of multi-nationals, many of which regard corporate philanthropy as a standard and strategically essential part of business.

Griffins is part of Danone, a very large European food group with over 90,000 employees in 120 countries and a very public commitment to social and environmental responsibility.

Kellogg's is probably one of the most recognised brands in the world and has a public commitment to social responsibility, fond of quoting its founder's personal mission to "help people help themselves" – a principle that is very closely aligned with the work done by What's Up.

Woolworths, at the time they became a sponsor, were owned by Dairy Farm Group, a Hong Kong based retailer operating in many retail sectors throughout Asia. They have

since been bought by Progressive Enterprises Ltd, a division of Australian food retailer Foodland.

With Woolworths, we found another vital ingredient in what makes a business a good partner for an NPO – a strong belief by the highest levels of management that the NPO is doing important work in the community and that the relationship will be good for the business.

Andrew Davidson, then CEO of Woolworths, was one of the founding members of the KHF Board and has remained a highly involved Trustee and Board member since leaving Woolworths last year. Without exception, a clear commitment by key decision-makers within the corporate sponsor organisations has been a defining feature of the success of our relationships with them to date.

To come at last to the theme of the conference, the case of What's Up demonstrates some of the ways in which "joining up" occurs as a result of partnerships between for-profit businesses and NPOs.

Figure 1 is an organisational chart that is similar to our position of one NPO with multiple sponsors. The direct or primary links are depicted with solid lines. There are many useful links that arise secondarily from these primary relationships.

An important one for the NPO, in our experience, is the secondary link to the sponsors' suppliers (single headed, solid arrows). I have depicted these on the chart as "agencies" because commonly these will be advertising or marketing agencies, but we have enjoyed much wider advantages than this with increased ability to negotiate favourably also with printing suppliers, communications media, telephone service providers, etc.

Another type of secondary link is between the sponsors and the community in which the NPO's clients live (broken, double-headed arrows).

The sponsors have a strong motivation to establish these linkages but they are ideally a two-way relationship. By engaging with community causes, a sponsor offers the community an opportunity to shape the sponsor's behaviour. Obviously, if consumers act consistently with the attitudes gathered by ACNielsen, they will differentially choose the products of the sponsor, thereby reinforcing the sponsor's philanthropy and encouraging competitors to become involved in community causes as well. Conversely, if the community ignores the sponsor's efforts to engage in this way, they can also deter future involvement of this kind.

We must also not forget that the sponsors employ the friends, family and whanau of the NPO's clients and their support of the good cause has the potential to strengthen the employer/employee relationship. Imagine, if you will, employees negotiating philanthropic contributions by their employer as part of their collective agreement.

The launch of What's Up demonstrated the potential power of this joining up of for-profit and NPO organisations. Our launch campaign had the following goals:

- To launch and promote a new telephone counselling service for young New Zealanders
- To establish a brand connection that makes calling the service an accessible and “OK” thing to do
- Establish a new perception for this service type
- Establish brand awareness
- Initiate 8% caller engagement within 12 months
- Communicate operating principles and protocols to referring agencies
- Build a strong platform of sponsor recognition

Four major “agencies” became involved in planning and implementing the launch campaign as a result of their relationships with our four major sponsors. They had originally been asked to competitively “pitch” for the job of doing the launch but they decided instead to work cooperatively, each contributing their relative areas of strength and spare capacity.

It was interesting working with these people who had great professional respect for one another but who were usually competitors. On our project, they had an opportunity to work together rather than be separated by competition, and for a cause that perhaps meant a little more to them than many of their usual commissions. They seemed to enjoy this greatly and many of the individuals involved have remained good friends of What’s Up.

Perhaps the telling “bottom line” is that we achieved a strong, professional launch campaign for a tenth of the standard cost – far more than we could have afforded without the benefit of these secondary relationships arising from the support of our sponsors. This included television commercials and an extensive school information programme which included 41,000 classroom information packs.

Figure 2 shows the cumulative call count between our launch in late September 2001 and the end of that year. The effect of the launch campaign is clearly visible.

In late October and early November 2001, we were receiving up to 2,500 calls a day. In our first twelve months of service, over 250,000 calls were received and we answered 115,000 of these. Calls came from all over the country in direct proportion to the number of 5-18 year olds living in each region.

This is a benefit to all children and young people that would not have been possible without both the financial backing and the vital secondary relationships brought to us by our sponsors – a “joining up” that is not between service agencies in the children’s domain, but immensely effective in ensuring that children are delivered a service that they greatly need and appreciate.

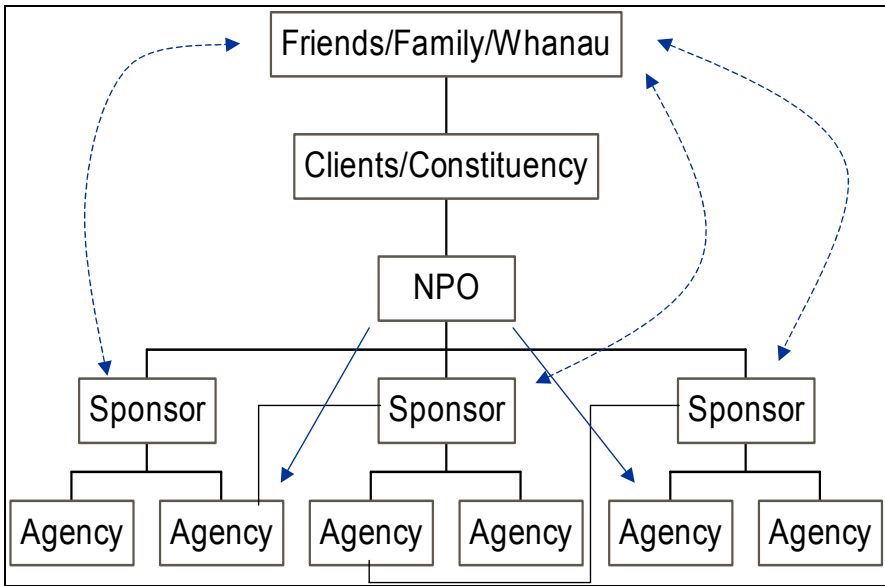


Figure 1: Organisation chart showing relationships arising from business-NPO partnership.

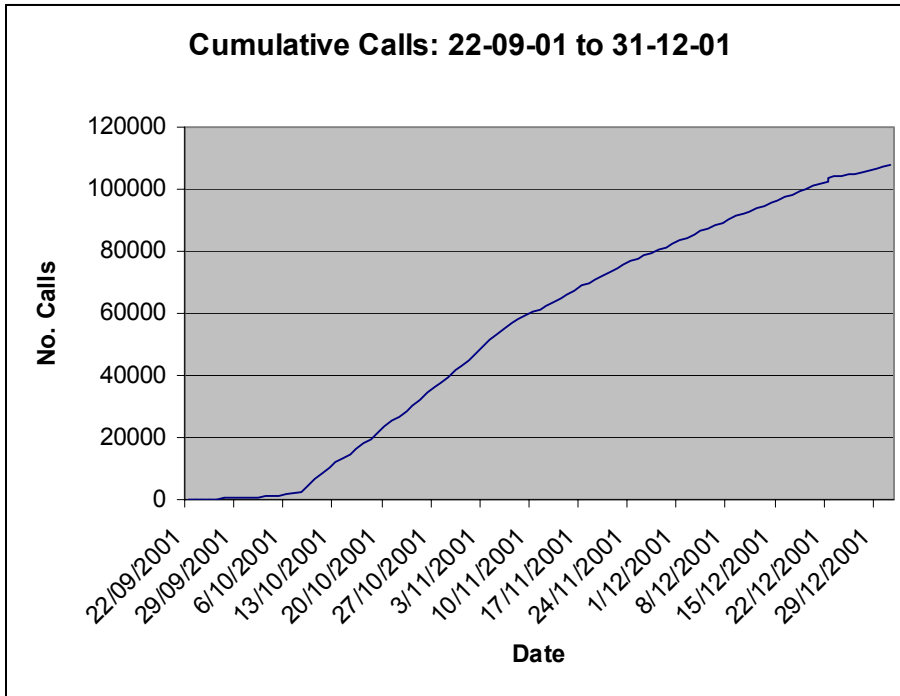


Figure 2: Cumulative calls for first 14 weeks of What's Up service showing pronounced effect of launch campaign.

¹ Wilson, Carla. The Changing Face of Social Service Volunteering: A Literature Review. Research Unit, Knowledge Management Group, Ministry of Social Development, December 2001.

² BP Launches First Triple Bottom Line Report. Press Release: BP New Zealand. Friday, 30 May 2003, 4:18 pm. <http://www.scoop.co.nz/mason/stories/BU0305/S00362.htm>